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# Readiness of Kosovarain Forest Sector to Comply with the Requirements of the EU Due Diligence Directive

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## **Abbreviations**

AAC – Annual Allowable Cut

AOK – Assembly of Kosovo

CEE – Central and Eastern European (countries)

DoF – Department of Forestry (Ministry of Agriculture, Forestry and Rural Development)

EU – European Union

FAO – Food and Agriculture Organization (United Nations)

FSC – Forest Stewardship Council

FMP – Forest Management Plan

KCB – Kosovo Consolidated Budget

KFA – Kosovo Forest Agency

MAFRD – Ministry of Agriculture, Forestry and Rural Development

MEA – Multilateral Environmental Agreements

MEI – Ministry of European Integration

NAP – National Action Plan (on illegal logging)

NFG – Norwegian Forestry Group

NFI – National Forest Inventory

OAG – Office of the Auditor General

REC – Regional Environmental Center

UNDP – United Nations Development Programme

UNMIK – United Nations Mission in Kosovo

USAID – United States Agency for International Development

## **Abstract**

The aim of this paper is to analyze how illegal logging in Kosovo can be reduced to fulfill the EU (European Union) Due Diligence regulation (EU, 2010). The study is comprised by four main objectives that present reviews of the most important articles and reports on the topic, an overview of the laws and policy instruments and their implementation, interviews with key actors in the forest sector of Kosovo and finally an analysis and conclusion on the challenges and solutions to reduce illegal logging.

Illegal logging is a major concern for the forest sector of Kosovo. The extent of the illegal harvesting is unprecedented in the EU as it pushes the total annual harvest close to the annual increment of 1.3 million m<sup>3</sup>. The planned harvest in 2011 was 316.099,87m<sup>3</sup>, most of which is processed as technical timber, and the demand for firewood is estimated to be around 1.3 million m<sup>3</sup> annually. Illegal harvesting fills the gap between the supply and the demand.

The laws and regulations of the forest sector are harmonized with the EU timber regulations but the implementation and enforcement of the laws and regulations is far from living up to the standards. The illegal activities are degrading the forests of Kosovo. The lack of commitment from the parliament to address the issue is exposed and the authority of the forest institutions and judicial system is undermined as they fail to act. There are inconsistencies between government institutions and a lack of coordination within the forest law framework that needs to be cleared up and the corruption that infiltrates all levels of government must be addressed. Top priority should be to stop the criminal networks that are doing the most damage to the forests.

On the short-term simple low-budget, measures should be implemented to demonstrate progress can be made. Simultaneously international actors in Kosovo should apply pressure on the Parliament to support the forest sector and commit to strategies bringing structural changes that will have a larger impact on the long-term. Complete eradication of illegal logging in Kosovo seems to be far out in the future.

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## **Introduction**

### **The problem of illegal logging in Kosovo**

Illegal logging is an issue in several of the Balkan countries. The forests are degrading and governments of whom several, including Kosovo, are recovering from an armed conflict and a radical political change from a socialist regime to a liberal system with a market-based economy. (Markus-Johansson et al, 2010)

Most of the legal annual harvest – approximately 200.000m<sup>3</sup> – is used for heating however; the estimated annual demand is 1.3 million m<sup>3</sup>/yr. The gap left by the legal harvest will inevitably be filled, because the wood is used for heating in the winter. It is thus crucial for 70 percent of the households of Kosovo to have access to firewood. This is a paramount factor for understanding the illegal logging in Kosovo. (Former aid-project official, Interview 8)

The extent of illegal logging in Kosovo is unprecedented amongst the countries on the European continent (Bouriaud et al, 2012). The state is losing tax revenue and potential extra income that could be derived from better management of the forest resource. Socio-economic benefits are also lost due to the extent of the illegal activity and especially in the rural areas the population is missing legal employment opportunities for a poor population suffering from high unemployment. (REC, 2010)

There is an apparent lack of law enforcement when it comes to forest crimes in Kosovo creating ripe conditions for the illegal loggers. The control in the forests is lax, the controlling officials are too few and ill equipped to fight the brutal enterprises harvesting illegally. The rate of prosecution is low and many cases are postponed beyond their expiry essentially meaning that even if the criminals are caught and prosecuted, there is a good chance of getting away with the crime. In addition, it seems that bribery and corruption has infiltrated every governmental structure minimizing the chances and risks of being caught. (Stahl, 2010) (Markus-Johansson et al, 2010) (Bensky et al, 2013)

The illegally logged timber is cut into 1m lengths and sold freshly cut on the markets. As the population cannot afford to buy and dry the wood for next year, they burn the fresh wood leading to a reduction of 30 percent in burning efficiency and thus an equal over-consumption. (Bouriaud et al, 2012) (Gernot Pichler, Interview 3)



### **Consequences for forest management**

The forest are currently not able to fulfill the estimated needs for firewood and construction timber with the forest sector lacking technology, efficiency and skilled staff nor are the forests managed in a sustainable manner. If the harvesting exceeded the ranges of the annual allowable cut (@70% of the annual increment) by 7% points then much/most of the domestic demand would be covered. If the annual allowable cut were harvested at a rate of 100 percent the KFA (Kosovo Forest Agency) would generate €11million and of those 40% would go back to the KFA to invest in the forest sector. (USAID, 2008)

The trees felled often have potential to yield high quality construction timber, but ends up as firewood wasting a potential income. The illegal loggers often work at night causing many injuries for the workers and it is difficult to select trees for harvesting and avoid collateral damage of the remaining trees. (Bouriaud et al, 2012)

Claiming that the current forest managers practically are illegal loggers now is not far from the truth. Despite the forest guards and forest inspectors competences to patrol the forests they exercise little of their power and thus the illegal loggers harvest and sell a quantity of timber dangerously close to the annual increment of the forests of Kosovo. (USAID, 2008) (Former aid-project official, Interview 8)

The forests are degrading and the illegal harvesting operations only take the high quality timber for they leave up to 1m high stumps and they only take 4 meters of the trunk, leaving the rest in the forest to cause bark beetle infestation. The top of the tree would normally be processed under a functional forest management system. (Bouriaud et al, 2012)

### **Consequences for the legal framework of Kosovo**

Kosovo has an ambition to join the European Union and thus must meet requirements on harmonization of legislation and implementation of the laws (MEI, unknown). The legislation covering the forest sector of Kosovo is largely in place however, the implementation is lagging behind to an extent that will not be accepted by the EU. (MEI, unknown) (Markus-Johansson et al, 2010) (Bouriaud et al, 2012)

The extent of the illegal logging is exposing the failure of the government and the forest authorities to enforce the law thus weakening of the state (Bensky et al, 2013).

**Aim**

The aim of this paper is to analyze how illegal logging in Kosovo can be reduced to fulfill the EU Due Diligence regulation. The analysis is comprised by four sub-objectives:

- S1. Give an overview of the previous studies and reports on illegal logging in the Balkans.
- S2. Give an overview of the present national laws and policy instruments regulating the forestry sector in Kosovo.
- S3. Present the view on how illegal logging could be reduced from interviewed key actors working with illegal logging and forestry.
- S4. Based on S1-3 the paper will analyze and conclude on the possibilities and policy instruments for reducing illegal logging and fulfilling the EU Due Diligence regulation.

After the presentation of the S1-S3 and the analysis and conclusion has been presented in S4 a short discussion, will sum up the reflections on the present study and give recommendations for further work on the issue of illegal logging in Kosovo.

## **Method**

### **Sub-objective 1 – Literature review**

Sub-objective one presents an overview of literature on the topic of illegal logging in the Balkans and in Kosovo. The articles and reports have been selected for relevance under guidance from Laura Bouriaud, Andreas Ottitsch and Erling Bergsaker. In addition, the author was presented with reports and official documents during a visit to Kosovo in September 2012. They were all directly related to illegal logging in Kosovo and most were included in the literature review for the present paper. A number of the articles and reports have been found on google.com or on article search-engines (Springerlink etc).

The reviews included under S1 presents only the most significant findings related to illegal logging rather than being complete reviews. If several authors have offered the same view or finding it will be listed for all the relevant reviews. This inevitably means that there are some repetitions of the same statement, but it is meant to illustrate that the findings of many papers are – if not completely identic – similar.

### **Sub-objective 2 – National legislation and policy instruments**

Sub-objective two is to give an overview of the present national laws and policy instruments that regulate the forest sector in Kosovo.

The official laws and regulations are available online through official Kosovo channels, however a working draft of the amended “Law on Forests, 2003/3” (MAFRD, 2013) have been made available exclusively to the author prior to the ratification and publication. The amended draft of the law has been referenced to in the text to be able to include the most current trends and policy streams in Kosovo and the draft has some specific amendments that will influence the policy on illegal logging. Many interviewees have referred to this coming amendment – although it still has not been ratified by June 2014.

National legislation on the forests is available online via the official government channels; however as Kosovo is still a young state, some of the documents have been sourced through non-government channels. Likewise, some of the reports obtained for this paper were sourced to the

author before their official release and thus cannot be assumed to have an identical content when published. The EU regulation 955/2010 is available through official EU channels.

The laws and regulations have been listed however, the main purpose of the section is to identify and elaborate on the policy instruments presently available for reducing illegal logging. Thus not all laws and regulations will be explained in detail.

### **Sub-objective 3 – Interviews**

The author was invited to accompany two employees of the Norwegian Forestry Group (NFG) to Kosovo in September 2012. The NFG is running a project in Kosovo: *“Forestry Sector Programme – Further development of GIS in forest management planning and development of cost-efficient methods in Forest Management”*. The project is funded through the Norwegian Ministry of Foreign Affairs and has run since 2006. The project ended in 2013 with the completion of a national forest inventory (NFI). (NFG, 2014)

The project staff, Mr. Erling Bergsaker, NFG Team Leader, and Mr. Jens Kolstad, NFG Project Consultant, assisted in setting up the interviews and Mr. Ibrahim Muja, Local Project Coordinator of the NFG-project was interpreter and coordinator of the interviews.

The interview candidates were selected in cooperation with the Norwegian and the local project staff. A list of candidates was comprised and the candidates were contacted by mail or by phone by Mr. Ibrahim Muja. The list of interviewees is disclosed only to the censorship due to the sensitive nature of the topic and the explicit wishes of the interviewees (see the last paragraph of this section).

The visit to Kosovo lasted for 10. The list of performed interviews comprise some of the key actors in the forest sector. There are candidates from organizations working with the topic, e.g. UNDP (United Nations Development Programme), USAID (United States Agency for International Development), EU-projects etc., and researchers working directly with the issue of illegal logging as well as key employees with the national forestry authorities MAFRD (Ministry of Agriculture, Forestry and Rural Development) and KFA (Kosovo Forest Agency). The importance of the selection of interview candidates will be covered under sub-objective 1.

The interviews were based on the same base questions as to obtain and illustrate the different viewpoints on the same problems. The standard interview form is enclosed in appendix 1.

Some of the interviews and some of the information will be listed with undisclosed references due to the sensitivity of the information and/or the wishes of the sources as this topic is still controversial and inflamed. The censorship will have the complete reference list disclosed.

#### **Sub-objective 4 – Analysis**

The last sub-objective is analyzing the possibilities of reducing illegal logging and the policy instruments needed to solve the issue of illegal logging on the basis of the findings in the sections S1 through to S3.

## **S1: Overview of previous studies and reports on illegal logging in Kosovo and related states**

The works reviewed for the present study have been selected for relevance. The relevance has been assessed partly by experts recommending them or by the actual context being linked directly to illegal logging in post-conflict Kosovo.

This chapter presents the main findings, conclusions and recommendations where applicable of reports and studies on illegal logging in post-conflict Kosovo or directly linked topics. Some of the reports were made available exclusively to the author of this paper as they are not yet published.

### **Review 1 (REC, 2010)**

#### Governance

40 percent of public lands and 29 percent of private lands have been affected by illegal logging. Informal estimates put illegal logging at 100.000m<sup>3</sup>/yr<sup>1</sup>. The report states that: “Illegal logging is caused by economic and social status of population that lives in forest regions.”.

Illegal export is not available due to unmet domestic market demands. There is import of illegally harvested timber over the Serbian and Albanian borders but no estimate exists.

The strategy for reduction mentioned in this report is mainly the “Strategy for Forest Development 2012-2020” which does not directly mention or deal with illegal logging, but offers guidelines that could contribute to combatting illegal logging. In addition, five-year forest management plans with an Annual Operational Plan for Forest Management that implement the Forest Law (2003/03) have been set into effect. The Annual Operational Plan for Forest Management has a specific component addressing “Forest Protection against Illegal Logging”.

Definition of illegal logging: Illegal harvesting, transporting, selling or buying of timber according to the regulations in the National Law on Forests (2003/03). The law regulates and provides measures to combat illegal logging, but the present situation is caused by:

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<sup>1</sup> This report contradicts itself when claiming that only 100.000m<sup>3</sup> is estimated to be illegally logged when it also states that the amount of illegally logged timber could be up to 4 times the annual legal harvest of 200.000 m<sup>3</sup>

- Lack of law enforcement
- Lack of staff and lack of competences within the KFA
- Very slow processing of lawsuits in the courts
- Disobedient citizens

The different types of illegal logging:

- Logging without permit from public forests
- Logging in protected areas such as national parks
- False declaration of origin of wood
- False declaration of volume/quantity of harvested wood

Collateral damage:

- Hectares covered with harvest residue/waste
- Extraction of sand/gravel on public forest land

The Law on Forest 2003/03 is the most important regulatory document however, there are a number of other regulations regarding the structure of the forest administration and administrative instructions regarding timber transactions, forest management plans and licensing.

Monitoring and control system:

The report states that there are no proper measures in place to monitor and control the development in forestry regarding either forest health or illegal logging. The Policy and Strategy Paper for Development of Forestry 2010-2020 (MAFRD, 2009) outlines several possible interventions to enhance the protection of the forest resources.

The DoF Division for Inspection and Control is the main government body for inspection and control of forest activities.

DoF issues felling licenses and KFA plans the logging operations one year in advance. Only cleared companies can apply for logging licenses. When planning logging operations KFA emphasizes that forest improvement must be part of the operation and operational management plans must be present. KFA foresters mark trees for harvest and trees without official markings will be classified as illegally logged. Based on the long-term (management) plan and annual plan, the following actions should be undertaken:

On private forestland, the Law on Forest 2003/03 also decrees that no logging is to be carried out unless the KFA has marked trees for felling and there is a plan to regenerate or protect the forest. The forest owner must submit an application for a logging license one year in advance on private forestland. The procedure of obtaining logging permit and transport timber from a privately owned forest:

- Based on annual management plan
- Forest owner submits the application
- The title deed and the copy of plan should attach to the application form
- Request is revised and in case it is approved,
- Trees for felling are selected and marked
- They are registered in the marking book,
- Structure and revise of tree structure is done
- Felling permit is issued
- Felling of marked trees take place as well as processing of wood assortments in the spot
- Approval of felling, and stamping the wood assortments for transport
- Freight permit is issued upon request.

A license or official stamp from KFA is required when transporting logs or larger quantities of wood. Transportation or transactions involving unmarked logs are illegal under the law.



## Conclusions:

The report concludes that the legal infrastructure is sound and that it should suffice to prevent illegal logging. Furthermore, the legislation is harmonized with EU legislation. However, lack of field control and professional capacity (competences) together with a slow judicial system allows illegal logging to take place. The lack of professional competences is partly due to very limited educational opportunities within forestry in Kosovo.

Managerial practices are in place but the competences and means for control and follow-up are absent.

With the “Strategy for Forest Development 2010-2020” and a legislation that is adapted to the EU legislation the forest sector of Kosovo has come a long way, however there are still issues regarding the framework.

## **Review 2 (Bouriaud, 2005)**

The study investigates causes of illegal logging in Central and Eastern Europe.

The extent of illegal logging was found to be greater on private forestlands rather than on public forestlands.

Estimates of the extent of illegal logging in a given country or area/region are generally given by either governments, regulatory bodies/forest authorities or studies conducted by NGO's, international organizations and experts.

The ACER 2001 (source) report and UNECE/FAO (source) seminar has established two types of illegal logging in the CEE region: Commercial-interest-driven illegal logging and poverty-driven illegal logging. Poverty-driven logging is logging to satisfy immediate needs and it unfolds at a local level over-harvesting on local resources. The commercially driven logging is organized and the harvested wood taken by deception or force and sold for profit. Corruption and arms is often a part of the commercially driven logging.

Two further distinctions are laid out; illegal logging as timber theft versus logging without or in excess of levels granted on a license.

### **Features of illegal logging in the Baltic countries**

Generally corruption is worse in the countries closer to Kosovo, i.e. Albania, Moldova and Romania compared to the more northern countries in the CEE region. The amount of illegally logged timber is remarkably high in Albania compared to the other countries in the study. However there are different views on the extent of the illegal logging and some official figures might be far lower than the actual values.

The illegal logging in the region is generally underestimated in the official statistics and the extent is greater on private forestlands compared to public forestlands.

### **Summary of research findings**

The study found that illegal logging was more intensive due to unemployment in rural areas, where there are forest resources available for harvesting/stealing in Romania.

Unclear ownership or lack of means to uphold ownership of the forestland leads to an increase in illegal logging activities on a regional basis. Over harvesting on own areas can be motivated by the concern that others steal the timber before the owner can harvest it.

While the countries studied have implemented the necessary laws and founded inspectorates to enforce the legislation a lack of staff or funding thus reducing the number of criminals caught. The judicial systems often fail to pursue and punish the perpetrators effectively reducing the risks of running illegal logging operations.

## **Discussion**

Lack of employment and resources cause illegal logging and unclear ownership and small chances of being caught and persecuted increases the illegal activity. Strict harvesting regulations for private forest owners and lack of forest management support are contributing factors.

Lack of communication and information on the forest resources in the forest administration is inhibiting efficient forest management on national levels. Forest management should be incorporated in a several national policies i.e. with the law enforcement institutions and tax authorities as well as policies on ownership reforms and corruption.

### **Review 3 (USAID, 2008)**

The aim of the project was to study previous reports and analyses of the Kosovo forest sector and to raise awareness of the importance of the forest sector to the national economy.

#### **Background:**

The wood processing industry in Kosovo has skilled labor and has potential to increase income from the Kosovar forest resources. However, in order for the forest production to have a profitable future on foreign markets it is important to certify the forests and thus illegal logging must be reduced and countered.

#### **Governance and management:**

The Law on Forests effectively fails to solve the problems of the forest sector, however there is a consensus that the shortcomings can be solved by amendments to the existing framework.

Impediments for the law to function: budget allocations, too few staff, lack of development strategy, lack of staff competences and absence of an effective information system i.e. updated inventories and forest management plans.

Municipalities had right to manage and use forests under the UNMIK Regulation 2000/45 which preceded the Law on forests 2003/03. The municipalities are now to be “cooperated with” but the municipalities feel that they are left without influence and they claim that the agreed share of revenue from the forest activities (20% of the revenue) that should be returned to them from the KCB (Kosovo Consolidated Budget) often is not.

Illegal logging remains a lucrative option as the judicial system fails to process and punish the criminals and the low number of unarmed forest guards is not a substantial deterrent.

The private forest sector in Kosovo is underdeveloped and the KFA is not investing enough resources in the private forest owners.

#### **Numbers and estimates of illegal logging in the Kosovo forest sector**

The AAC (Annual Allowable Cut) is 900.000m<sup>3</sup> and the total annual increment is estimated to be 1.367.000m<sup>3</sup>. The demand for firewood is approximately 837.500 m<sup>3</sup> per year. The demand for

technical wood is estimated to be equal to the import, i.e. 300.000m<sup>3</sup> in 2006. Firewood is the larger demand as 50% of the households of Kosovo needs 5m<sup>3</sup> of firewood per year. In 2006, the KFA harvested 187.667m<sup>3</sup> of firewood. The import is estimated to be 100.000m<sup>3</sup> and to meet the demand there must at least have been an illegal harvesting of the remaining 549.833m<sup>3</sup> of firewood. The source of this estimate is “a local forest engineer expert”.

In the period 2004-2008, only 46 cases out of 25.745 requested charges have been investigated pointing out the failure of the courts to prosecute the criminals.

If the forests were managed properly the KCB and in turn the KFA could increase the revenue from the sector significantly.

Silviculture and harvesting:

Because of the intensive illegal logging and the subsequent lack of afforestation the forests of Kosovo are too young. Investments in forest management plans, road infrastructure and better silvicultural treatments are essential.

Problems of the current legislation

The present (2008) legislation does not satisfy the needs of the forest sector. The licensing procedure is not followed up. According to the municipalities the “certified” operators does not have the appropriate technology or in some cases the will to harvest without damaging surrounding resources and harvest efficiently. Harvest residue is left on the forest floor and no road maintenance is carried out.

The forest guards are too few – one guard must cover 1.458ha of forest and the guards lack arms to confront armed criminals.

#### Review 4 (Bouriaud and Niskanen, 2003)

Illegal logging is in this study differentiated by the way it infringes the law: timber robbery, where the loggers steal timber without any kind of license; and breach of harvesting regulations i.e. over-harvesting or harvesting outside the borders defined in the logging license.

Illegal logging leads to forest degrading because of the un-sustainable manner in which it is carried out and the owner of the forest loses revenue and investment. The subsequent forest management will be more costly and conservational values are likely to be damaged. The illegally logged timber will also affect the market prices and out-compete the legally logged timber because of the cheaper production costs.

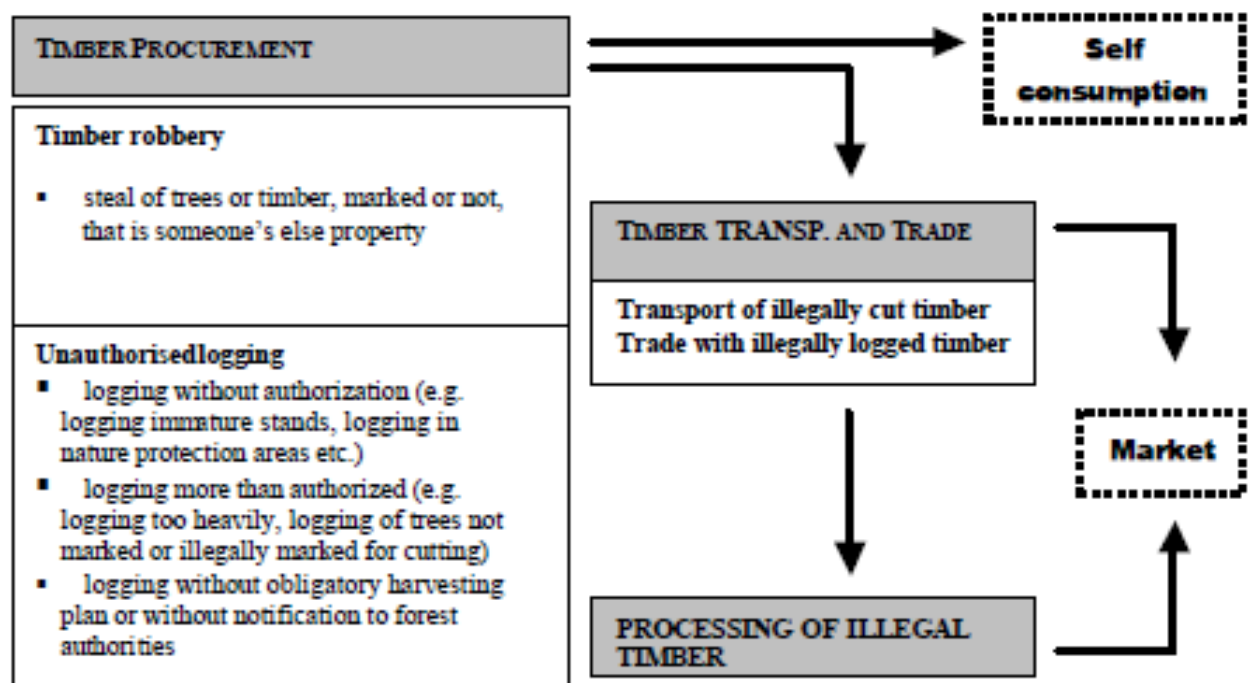


Figure 1: The illegal logging and forest wood chain (Bouriaud and Niskanen, 2003).

Illegal logging is often connected to corruption of officials and authorities, although this is not always the case.

Of the CEE (Central and Eastern European) countries, this study has gathered data from Albania, Romania, Estonia, Czech Republic, Slovenia and Lithuania. The volumes of illegally logged timber varies as does the reliability of the sources however, Albania stands out as the most

extreme case with an illegal logging percentage of the total year's harvest of 80.1% in 1997 and 41.6% in 1998 with the other countries having between one and six percent.

### **Does illegal logging matter in the context of sound use of forests?**

On a country-scale the illegal logging might still be within the AAC (Annual Allowable Cut), however the illegal logging may not be evenly distributed over all forest areas and thus in the areas of concentrated illegal logging activities the impact on the ecology and sustainability of the forests is severe.

### **Economic consequences**

Forest management becomes more expensive (revenue lost but there is still a need for planting, clearing etc.) and investing in forests is less attractive if you do not have security for return of the investment. The market is also affected by the illegal timber and governments miss revenue.

Compensation for the damages is rarely collected as the perpetrators often get away and the judicial systems are inapt or unwilling to follow the cases through. There are also opportunity-costs connected to the illegal logging as the revenues cannot be reinvested elsewhere.

The need for property reinforcement is costly and the more intensive the need the more expensive it is. This ranges from paying forest guards and marking trees to transport controls. The lack of tax revenues from the illegal logging increases the costs of these services for the forest owners and the forest authorities.

Because the illegal loggers do not pay the stumpage prices and if placed on the international market the revenues can be rather high thus making illegal logging a profitable business. Although presenting more timber on the market will lower the general price.

### **Discussion**

The development and sustainability of the forests is threatened in the countries where the illegal logging is widespread. However, the impact varies with the extent and the intensity. Only in Albania did the illegal logging exceed the AAC meaning there is still a positive increment on the standing volume.

The ecological consequences are potentially severe everywhere. The timber quality and effectiveness of the harvesting procedures degrades the overall forest health and may leave the forest more exposed to wind and disease.

Illegal logging occurs more often on private forestlands than public.

The will to cope with illegal logging politically requires consideration of the future generations and their access to resources.



## **Review 5 (Bouriaud et al, 2012)**

The EU Twinning Project is offering support to sustainable forestry management in Kosovo. This is one of four components from the Twinning project specifically dealing with illegal logging.

The Twinning Project compared the situation in Kosovo to the situation in other former socialist countries where decentralization and privatization has taken place.

Assessment of the situation:

Main conclusions in previous works on the issue of illegal logging in Kosovo:

1. Estimates put the illegal harvest at least equal to the legal logging and it may range up to 1 million m<sup>3</sup> of wood per year cheating the state for revenue of between €2 and €10million each year making illegal logging a profitable business.
2. There are two ruling theories on the main drivers behind the illegal activities:
  - a. Poverty and the demand for firewood; or
  - b. The organized forest crimes of a timber mafia and corruption
3. There is an urgent need for closer cooperation with the police force and more efficient forest law implementation from the courts.

Misuse of the timber resource in Kosovo:

The gross increment of the forests of Kosovo is 1,3 million m<sup>3</sup> wood per year. AAC is according to principles of sustainability 70% of the annual increment i.e. 900.000 m<sup>3</sup>. The planned AAC for 2011 is 316.099,87 m<sup>3</sup>.

With the agricultural sector diminishing forestry becomes increasingly important for the rural population as a mean of economical sustenance. The amount of illegal logging is between 100 and 500% of the legal harvest. A share of the illegal logging is unregulated harvest meaning that the timber is cut without plan and permit rather than timber theft.

Examples of misuse and the situation for the forests in Kosovo:

- Windfall occurs because of the illegal harvesting regimes.

- Extremely high prices for fuelwood compared to the average income because of the inefficiency of the illegal logging.
- By supplying only wet wood the costs for the users are 30% higher than they need to be.
- The harvesting operations are not systematic and do not consider areas that actually needs thinning or harvesting. In addition, the logistics are inefficient and may even waste legally logged timber because of insufficient planning.
- There is no market for technical wood in many municipalities causing high quality construction timber to be cut up as firewood.
- When controlling the forest operations the forest officials risks violence and injury.
- The demand for firewood could be satisfied from coppice forests at a lower price than the illegally cut firewood.

#### Consequences of the illegal logging:

- The forestry authorities risk losing control over the forestry sector to organized mafia-like criminals.
- Too high firewood prices for the population.
- The state of Kosovo loses €8-12 million each year not including tax evasion.
- Steep lands become more vulnerable to erosion.

#### Drivers of illegal logging:

The demand for firewood in Kosovo is two to three times the *legally* logged supply of firewood and the illegal system is well organized in a production chain to log, transport and sell the illegally cut firewood at high prices. Most of the illegal firewood supply is cut this way rather than by people logging illegally for their own needs (subsistence-driven).

The illegal logging production chain needs access to the timber in the forest meaning corrupting or threatening the forest guards and the controlling teams. Equipment and capital is needed and must be secured against confiscation again meaning bribing and corrupting officials and as a whole, a “business model” is in place in the illegal operations. There are many people employed in these illegal ventures.

#### Contributions of this report:

- Subsistence logging makes up no more than 10% of the total amount of illegal logging. This type of illegal logging is no threat because of the low quantities of timber and positive economic development will end this problem.
- Illegal logging carried out by forest owners as “unregulated” logging is between 10-30% of the total amount of illegally logged timber. This issue can be countered through easing administrative procedures for obtaining licenses. Should be supported with better education.
- Market-driven illegal logging is the largest culprit in Kosovo representing 60-80% of the illegal logging and public forests are more affected. Experience from three municipalities shows the increased police presence on a local level is effective as an immediate countermeasure.

#### Modus operandi for illegal logging chains:

- Logging operations have different purposes:
  - Only industrial grade timber is extracted, the rest is left on the forest floor (Decan area).
  - High stumps and only the first 4 meters of the trunks is taken (Decan area).
  - Fresh wood cut for firewood (Decan).
  - Illegal cutting of coppiced forests in the Prishtina area.
- Transportation of the wood to markets or storages.
- There are several strategic storages close to larger markets:
  - Along the roadside in the Kamenita area.
  - At least 10 trucks waiting in line near the important market in Peja city.
  - The suburbs of Prishtina house an estimated 10 large stores of firewood from which the wood is distributed.

#### Decentralization and illegal logging:

Prior to 2003, the forests of Kosovo were managed in a well-functioning communal system with intact competences. In 2003, the current institutional system was instated and this system fails to satisfy the firewood demands and prevent the illegal logging.

At municipality level, the competences are now:

- Forest guards: monitoring damages and prevent illegal logging. This is a very costly operation and the forestry services are not prioritized in many municipality budgets and some municipalities does not receive the funds needed.
- The municipalities receive 30% of the revenues they collect.

None of these competences spurs entrepreneurship in the municipality and no incentives for the municipalities to vigorously enforce the forest law are provided under the given regime.

*“The progress up to now shows that the forest protection “competence” work properly in the municipalities where forests are economically important and there is personal involvement of forest-staff and good relationship with mayor and local assembly.”* Direct quote from the text.

Giving the municipalities full competences over forest administration could result in better forest management in areas with unmolested and profitable resources. However, the opposite could be the result where the forestry is less profitable and in a case where the central forest authorities are not willing to cooperate sufficiently or if municipality officials become corrupt and entangled in the illegal logging business.

Notes on institutional framework against illegal logging:

The courts are supposed to solve reported cases, but the only court in Kosovo prioritizing illegal logging in Suhareka (municipality) Courts.

There are no institutions dealing explicitly with anti-corruption in Kosovo.

## **Review 6 (Bensky et al., 2013)**

The forests of Kosovo are an important natural resource covering 40% of the land.

The legal harvest covers 14% of the annual demand for firewood in Kosovo leaving a large market for illegal logging and 95% of the wood consumed is firewood. In the western and northern parts of Kosovo, the problem is most widespread. The trade and transportation network for firewood indicates organized criminal activity, but the illegal logging enterprises range from individuals, families and small-scale market sellers to organized crime-rings however, according to most government officials the illegal logging is carried out by families or individuals logging informally – i.e. without a permit.

There have been several violent incidents around illegal logging activities with armed clashes and deaths as a result. Officers from the Kosovo Police have been attacked while surveying an illegal logging site.

Assuming an annual production of 1.1million m<sup>3</sup> of timber the value of the forest sector will be around €20-40million per year and 20.500 people are employed in the sector in a country with a high rate of unemployment.

There seem to be unwillingness from politicians and justice system officials to deal with the issue and there is widespread corruption.

KFOR reports that illegal logging potentially spurs interethnic violence between Albanian and Serb communities. Illegal logging undermines the strength of government authorities and reduces the tax revenues of the state.

## Causes and permissive factors



**Figure 2: Causes and permissive factors of illegal logging in Kosovo (Bensky et al, 2013).**

Poverty and unemployment are the key drivers in illegal logging. One-third of the population lives below the poverty line and the cheapest way to heat a household remains firewood.

The forestry sector has potential to contribute significantly to the state. In 2010 2% of the GDP was delivered by the forestry sector and 8-10% of the population were employed in the sector. The tax revenues could increase from €0,6million per year to €24million in the long term.

Bad harvesting practices degrade the production capacity of high quality timber sites thus undermining the long-term profitability of the wood-processing industry. The shortage of construction timber forces the wood processing industry to import timber at higher prices.

The MAFRD allocates 43% of the annual harvesting quota to construction timber leaving an inadequate quota for firewood.



**Figure 3: The discrepancy between firewood consumption and legal supply of wood (Bensky et al, 2013).**

The figure illustrates a perpetual circle of causalities leading to illegal logging and why the current situation is unlikely to change unless actions are taken. The legal supply covers 14% of the demand leaving illegal logging to satisfy the remaining demand. In 2012 the planned harvest was 320.000m<sup>3</sup> and the realized harvest was 200.000 m<sup>3</sup> thus leaving illegal logging to satisfy the remaining demand. The firewood supplied by the illegal logging is fresh and wet and therefore the burning is 30-35% less effective leading to higher consumption.

Permissive factors of illegal logging:

The weak and uncertain structure of responsibility and coordination of the authorities within the Kosovar state makes illegal logging and corruption easier. The role of the forest inspector is not universally agreed upon. In 2010, the municipalities inherited the competence to protect the forests from the KFA. No increase in budgets ensued and the municipalities and the KFA are not clear on the jurisdiction of responsibilities between the two entities.

Bad coordination between authorities such as the Kosovo Police, the KFA, MAFRD, the courts and DoF leads to lost tax revenues, unsustainable forest practices and illegal logging. Reduction of the tax revenues leads to a reduced cash flow from the KCB (Kosovo Consolidated Budget) to the forest authorities.

In Mitrovica both the KFA and the Serbian Forest Agency operate causing confusion and conflict rather than cooperating.

Although the international community present in Kosovo is aware of the issue of illegal logging there is a lack of cooperation and no common definition of the problem leading to less effective management and waste of resources. Communication between international actors and Kosovo officials is lacking at times. A coordinated effort between all the actors is needed.

Strict logging regulations in national parks are a problem because large forest resources are made unavailable.

Kosovo has a high rate of corruption. The most common corruption is institutional preferential treatment and bribery, both present with illegal logging in the forest sector. There are examples of both forest guards and police forces being bribed and the courts are perceived to be corrupt. Corruption also thrives in the municipalities under their decentralized regime as the officials often have private or family relations with the local illegal enterprises.

The forest institutions as a whole lack both human and financial resources to efficiently combat illegal logging. The permit application process is too cumbersome to administer and there are not enough resources to effectively uphold it. The same is true for the tree markings.

The Kosovo Police:

Including the police force in combatting illegal logging is not easy for the forest authorities. The Kosovo Police does not protect private forestland and thus leaves the forest owners to fend for themselves, which sometimes leads to armed confrontations. The police believe that the forest guards are responsible for upholding the law in the public forests on their own.

Executing the transport controls needs better planning and more attention from the local precincts.



The court system:

In the Mitrovica region there is a vacuum in the judicial system as the Serbian courts are only just beginning to withdraw and the Kosovo courts are supposed to take over but haven't done so in full yet. The courts of Kosovo are overburdened and the illegal logging cases are not prioritized and postponed (indefinitely). The postponement causes the cases to be dropped as they expire after two years. The fine and thus the consequence of illegal logging is too low compared to the relatively much larger gain from selling the stolen timber.

Illegal loggers are exploiting the situation in Mitrovica where there are no clear jurisdiction and no cooperation between the SFA (Serbian Forest Agency) and the KFA. The SFA is to pull out of the region but it has not yet happened. (Mitrovica is largely dominated by Serbs rather than Albanians).

Data on illegal logging:

The annual wood consumption is estimated to be between 1.000.000m<sup>3</sup> and 1.800.000m<sup>3</sup> and is thus higher than the annual sustainable AAC of 900.000m<sup>3</sup>. If the illegal logging is greater than the annual increment then the forests of Kosovo are being reduced. There is a lack of proper reliable estimates of the extent of the illegal activities and the official numbers are severely underestimated. Solid figures are needed to press the urgency of the issue onto the agenda of the politicians and sharing the collected data with all implicated actors is crucial.

Conclusion:

A window of opportunity exists to regain control over the forest resources and benefit the state budget, the environment and the population. This however requires a holistic approach including all actors in the sector.

## **Review 7 (Ukaj et al., 2012)**

About the action plan:

The legal framework of the plan is the National Forest Strategy (MAFRD, 2009). The National Action Plan (NAP) on illegal logging aims to harmonize the efforts to reduce illegal logging in Kosovo through joint commitment to the frame outlined in the action plan.

Why illegal logging represents a national strategic and security issue:

- The extent of the illegal logging exposes a failure of the state's authority and affects the livelihood of a large portion of the population.
- The illegal harvest is larger than the legal harvest.
- The state loses €8-12 million in revenue every year.
- The forest resources will be destroyed if no action is taken.
- Solving the problem of illegal logging would assert the new states abilities to impose and uphold the laws of the state.

Link to the national legal and strategic frame:

The Policy and Strategy paper for Development of Forestry 2010-2020 (MAFRD, 2009) acknowledges that unlawful practices should stop, however gives no measures or priorities in combating illegal logging.

National Agricultural and Rural Development Plan, 2009-2013 states that illegal logging should be reduced, again without offering means or plans.

The NAP (National Action Plan) is to be a platform for the institutions to combat illegal logging.

Drivers of illegal logging:

1. Less than 10% of the illegal logging is subsistence driven – logging on small scale for own consumption locally. Offenders cannot afford to buy firewood.
2. Between 10-30% of the illegal logging is private forest owners logging without a permit – irregular cutting.
3. Between 60-80% of the illegal logging is organized crime mostly affecting public forests.

Volume/price		NFI 2003	USAID 2008	USAID 2010	NFG 2011
	<b>M<sup>3</sup></b>	<b>413672</b>	<b>549333</b>	<b>697200</b>	<b>900000</b>
Fuelwood value in € (local price)	<b>15</b>	6.20 mio	8.24 mio	10.46 mio	13.5 mio
Average Market price in € (sold in the cities)	<b>30</b>	12.4 mio	16.48 mio	20.92 mio	27 mio
Damage value in € (calculated in the Courts)	<b>40</b>	16.55 mio	21.97 mio	27.89 mio	36 mio

**Figure 4: Estimates of the quantity of illegally logged timber and the estimated monetary costs afflicted by illegal logging (Ukaj et al, 2012)**

Figure 4 shows a table of different estimates of the quantity of illegally logged timber and monetary losses afflicted the state of Kosovo due to illegal logging and irregular cutting.

Strategy:

Policies targeting the drivers individually are needed. To counter subsistence driven illegal logging a general policy of allowing 7-10m<sup>3</sup> of harvest a year for free. Simplifying/improve the license application process will solve the problem of the irregular cuttings. To quell the illegal logging on a commercial scale political will and support is paramount and strong control is necessary: increasing the number of forest guards, forest inspectors and road controls with CCTV and police forces present.

## **Review 8 (Markus-Johansson et al, 2010)**

General considerations:

Border regions are generally more exposed to illegal logging and the countries lack credible forest inventories and data collection. The forest area and quality is declining.

There are generally a lack of bilateral cooperation in the effort to combat illegal logging. Illegal logging in the region is undermining institutional authorities, damaging the forest ecosystems and causing monetary losses.

FLEGT is the action plan to target illegal logging and trade of wood products harvested illegally on a trans-European scale.

**Note:** Kosovo conditions are only briefly described where the situation in other Balkan states is more thoroughly described.

The strategy for Forest Development 2010-2020 is the main policy document for the Kosovo forests and illegal logging is covered in the document (other authors have a different opinion – although it may be covered in theory, in practical terms it is not.).

### **Shortcomings of the legal framework in Kosovo**

- KFA is short-staffed
- The employees are of a high age and there are few women employed
- Lack of professional skills and competences
- Lack of law enforcement
- Slow judicial system
- Lack of educational institutions with forestry capacities
- However the legislation is sound it is the implementation that lacks behind.

### **Key areas of improvement**

- Law enforcement
- Increased cooperation between police and forest guards
- Raise consumer awareness

- Ministry of Economy and Finance should take control over the wood-product market
- Include the public in the work of the KFA
- Boost the efficiency of the courts and their willingness to prosecute forest criminals
- Enforce penalties for forest crimes

### **International commitments**

In order to be accepted into the EU the states have to adhere to several regulations and adapt their national legislation and its implementation to EU standards.

### **Illegal logging**

Illegal logging is widespread in the region and is worsened by problems incurring with the transition in government structure – especially unclear property ownership is exploited. Forests are degrading consequently illegal logging actions plans are necessary in the countries of the region.

There are no case studies from Kosovo in this section of the report.

### **Drivers of illegal logging**

There are four types of illegal loggers in the region:

- a. Poor people stealing wood for own consumption;
- b. Poor people who sell wood to survive;
- c. Rural population on village-scale who traditionally made a living from selling firewood (that is stole); and
- d. Organized criminals.

In many rural areas, firewood is the only source of heating or if other sources are available, they are too expensive. Poverty-driven illegal logging is carried out in areas with a low risk of confrontation whereas the commercially driven logging is carried out more openly and confrontations can become violent. Some people working for the illegal logging enterprises may not have any other job opportunities.

In several states the legal supply of wood is too low creating a demand for the illegal loggers and in many cases the law enforcement fails in stopping the activities.

Firewood is the main product derived from illegal logging and the end-user is private households. The logging, transportation to and sale on local markets is systematic.

In Albania, the illegal harvesting is less in private and communal forests where management and control is more intensive compared to public forests.

Illegally logged wood may be of better quality and have a price ratio of 2:3 with legally logged firewood.

The uncertainties of jurisdiction and responsibilities in the post-transformation government structures leaves ample room for illegal logging to go unchallenged and unpunished in most cases. Bribery and corruption undermines the efficiency of many of the government institutions.

### **Character of illegal logging**

Harvesting activities can breach the law in several ways:

- Logging without permit (irregular harvesting);
- Wood theft from private forests;
- Exceeding quotes and logging outside license-borders intentionally;
- Logging in prohibited areas including national parks – this is less common due to more intensive supervision of the area;
- Obtaining licenses illegally e.g. by bribe; and
- Killing (ring barking) or burning trees so they can be logged “legally”. In Kosovo, however forest fires are often the result of neglected forest management or weather conditions.

Illegal logging for profit is carried out only so long as it is profitable i.e. remote areas and difficult terrain is not as affected as plots closer to roads and markets. Private forests have no protection from forest guards and owners are often living far from their plots leaving the forest unprotected. When hiring forest entrepreneurs the owner is often cheated for the real value of the

wood. However, forest owners themselves are likely to harvest their own trees without permits and thus illegally.

Due to complicated application processes many smaller logging enterprises harvest without them and the workers are often paid cash-in-hand to avoid taxes and welfare expenses.

Smaller sawmills and refining plants buy illegally logged timber which is cheaper to be able to compete with larger processing facilities.

Kosovo is a major importer of illegally harvested wood because of the production gap between the demand and the supply and most of this illegal timber comes from Serbia and Albania because of weak border control. In Serbia increased road controls with the traffic police and constitution of market controls has decreased the amount of illegal transports. Covert smuggling of timber is not common.

Some areas are claimed and occupied by families or communities however this is not common any more.

Volume of illegal logging:

A common problem in the South Eastern European countries is the lack of reliable data. And the official estimates of illegal logging are consequently significantly lower than the actual extent. The NFI (National Forest Inventory) carried out in 2002 by the NFG (Norwegian Forestry Group) put the level of illegal logging in Kosovo at 35 percent affecting 40 percent of public forestlands and 29 percent of private forests.

Monitoring and control system:

The more efficient the government control regime is the lesser the problem of illegal logging becomes. It is important to be able to monitor and evaluate the concrete success rate of the control measures. The regime must have well defined responsibilities for the institutions involved in the control e.g. the police, forest guards and the forest inspectors etc. A key part of being able to control illegal logging is having forest management plans.

In Kosovo, there is a forestry police since 1999 and the democratization of the country. They control all entities involved in forest management. In most states, the forest police is armed. The

Serbian forest police are tasked with preparing the NAP (National Action Plan) against illegal logging.

Combating corruption is crucial to efficiently counter illegal logging.

Common for the SEE countries is the lack of consequences and punishment for illegal logging in the judicial system. In many instances, the illegal harvesting is not even uncovered and if/when cases are reported the courts do not prioritize the cases. The fines in Kosovo are set amongst the highest in the region but the court system does not handle the cases efficiently and many perpetrators go unpunished. This is also due to lack of resources to identify the criminals.

Adverse impacts of illegal logging:

Annual allowable cut is likely to be exceeded and future wood quality and non-timber products are not considered. Erosion, valuable habitats, water protection and other environmental consequences are disregarded. The value of the forests for the local population is diminished. The state budget is cheated of revenues and likewise is the public forest sector leading to reduced investment in developing the sector.



## **Review 9 (MAFRD, 2012)**

The progress of the implementation of the Policy and Strategy Paper on Forestry Sector Development in Kosovo 2010-2020 (MAFRD, 2009) is ongoing. Of the 27 prescribed activities, 21 are still ongoing and the sector still has a long way to go.

There is a current financing deficit in the sector of €10 million and over the duration of the Policy and Strategy Paper (MAFRD, 2009) the deficit is likely to amount to €50 million.

Unlawful harvesting:

The KFA Forest Protection Unit conducted 1048 inspections in total. The inspections covered commercial entities, regional directorates, municipalities, markets, road checks and forest plots. This resulted in 204 charges and confiscation of 1.074,88m<sup>3</sup> of wood. The KFA issued 118 decisions and participated in 21 courts hearings.

In the municipalities the forest Authorities have filed 7586 charges of these 4854 are for minor offences amounting in a total volume of 11.375,77m<sup>3</sup> of wood and damages of €1.046.899,58. The remaining offences amounted to 12.659,11m<sup>3</sup> of wood and damages of €1.823.919,28.

The KFA and the Decani Police has established permanent roadside checkpoints.

The courts had 2167 convictions in 2012. Of these 1426 were minor offences and 741 felonies. There were 844 suspended. The courts valued the damages to be worth €460.079,50. The total number of cases prosecuted was reduced from 7871 in 2011 to 2371 cases in 2012.

There has been an increase in the number of incidents registered from 1203 in 2010 to 8154 cases in 2012, but the detected volume has decreased from 27.823m<sup>3</sup> in 2011 to 24.034m<sup>3</sup> in 2012. The amount of wood confiscated has increased from 4036m<sup>3</sup> in 2011 to 5743m<sup>3</sup> in 2012.

Harvesting levels:

Planned harvesting has increased some 5500m<sup>3</sup> in public forests to 145.000m<sup>3</sup> and some 36.000m<sup>3</sup> to 145.939m<sup>3</sup> since 2011.

The performance indicators are shown in the figure below:

Indicator	Unit	Target/Actual performance	Baseline	2010	2011	2012
Cases detected, small scale	number					
Cases detected, petty crime	number					4854
Volume inspected	m3			4958	27823	24034
Volume confiscated	m3			4077	4036	5743
Value of wood confiscated	euro					
Number of cases prosecuted	number			1203	7871	2371
Fines collected	euro					
Share of total timber revenue	%					

Figure 5: Relevant performance indicators for “reduction of unlawful harvesting” (MAFRD, 2012).

The figure above shows a selection of relevant performance indicators for “reduction of unlawful harvesting”. The inspected volume has decreased slightly and the volume confiscated is still low compared to the extent claimed by NFG (Tomter et al, 2013) – 5.743m<sup>3</sup> in 2012.

There has been a decrease in the annual budget for reduction of unlawful harvesting from €42.739,00 in 2010 to €41.983,00 in 2011. The 2012 budget and expenditure is not listed.

## **Review 10 (REC, 2009)**

Key facts about the forestry sector regarding illegal logging:

Between 8 and 10 percent of the population makes a living from the forestry sector in Kosovo.

The MAFRD is responsible for the forestry sector in the legal and organizational framework. The extent of illegal logging is a major problem in Kosovo and it exposes faults in the implementation of the legal and organizational framework:

- Lack of employees in the Kosovo Forest Agency
- Too little age and gender diversification in the forest sector
- Little or no capacity building of the staff
- Lack of rule of law
- Dysfunctional judicial system
- Lack of educational opportunities within forestry

The wood industry:

The official harvest provides around 200.000m<sup>3</sup> of wood. Most of this is firewood. The demand is estimated to be four times the legal supply. This gap between supply and demand is one of the important drivers of illegal logging.

The 80 largest employers of the wood processing industry employ more than 3000 persons making them valuable in a country with a low employment rate. Due to low production costs and a high potential for producing high-quality timber the forest sector could benefit if the illegal logging was stopped.

Drivers of illegal logging:

The population in Kosovo has an unemployment rate of 40 percent and 45 percent of the population lives in poverty and 15 percent of the population lives in extreme poverty. An additional 18 percent are vulnerable to poverty. Poverty is the main driver behind illegal logging as the legal supply is too low and firewood is used for heating.

Forestland that is easily accessible is preferred by illegal logging enterprises due to lower logging costs. Law enforcement is weak and there is a lack of qualified forestry personnel to help uncover the illegal logging. The forest guards and forest inspectors are severely understaffed.

The illicit activity can be split up between logging for subsistence and organized crime. The way in which the illegal logging breaches the law varies:

- Logging without a permit in public forests and private forests. The licensing procedures are extensive and complicated causing loggers to disregard the application process. Logging on private estates has to be applied for.
- Logging in protected areas
- False transportation papers and false declaration of the harvested volume

The processing of cases of illegal logging in the justice system is inefficient. In the period from 2004-2007 the court system received 25.745 requests for charges but only 46 cases were investigated. The total value of the damage of the detected damages in this period amounted to €6.850.957,44.

Illegal logging:

The estimated volume of illegally logged timber is 100.000m<sup>3</sup> and 40 percent of the public forestlands and 29 percent of the private forestlands are affected. The authors of the report state that the estimate is rather high.

Apparently, there is broad public support to combat illegal logging. As means of resolving the issue, the KFA in cooperation with the Kosovo Police has installed permanent road checkpoints strategically placed. From January to May 2009 the checkpoint officials have confiscated 1.000m<sup>3</sup> of timber.

Starting forest fires for logging “damaged” trees is not common practice in Kosovo.

There is no export of illegally logged timber from Kosovo as the demand for firewood exceeds the supply. Import of illegal timber is prevalent in areas with weak border control but there are no estimates or registration of the extent of illegal import.

Other occurring non-timber forest crimes are littering and illegal extraction of gravel. Individuals harvest mushrooms and other non-timber forest products, but no licensing system exists.

## **Review 11 (USAID, 2007)**

### **Introduction:**

The report evaluates the forest management in Kosovo from the perspective of the FSC (Forest Stewardship Council) standards and suggests activities that are necessary to achieve sustainable forest management.

### **Findings:**

Better coordination of aid donors is necessary and there are alternative donors present who has expressed interest in contributing to reduction of illegal logging. These funds should in part serve to raise awareness and funds from top-government levels. Commitment from these top-levels is essential.

There is an acute lack of reliable information about the extent of illegal logging.

Currently the forests of Kosovo do not meet FSC (Forest Stewardship Council) standards however, progress is made with the shaping of the FMP's (Forest Management Plan).

The current implementation of the harvesting regulations and the penalizing of criminals reveal a low grade of law enforcement and this practice does not have a deterring effect.

A significant reduction of illegal logging is paramount if certification is to be achieved. A national action plan should be formulated, implemented and the progress monitored and evaluated. The MAFRD and the KFA should take responsibility for this.

New FMP's are needed and a national working group tasked with certification should be appointed.

### **Observations of illegal logging in Kosovo:**

Illegal logging is carried out for two reasons: 1. Subsistence and own consumption; and 2. Commercial scale organized crime. Timber is carrying false transport documents claiming legality.

Corruption buys licenses and not fulfilling KFA contractual requirements has no consequences. A specific problem is the lack of road maintenance that should have been carried out as a part of

the payment of the stumpage-price, but it is never done. Overharvesting and harvesting outside the borders of the area agreed on the license are other frequent breaches of the harvesting regulations. Private forest owners harvest trees on neighboring public forestland.

KFA staff with proper training does not carry out correct marking of the trees. Local level managers are not included in the budgetary planning within their jurisdiction.

Non-timber products are poached and collected without permission.

## S2: Overview of the present national laws and policy instruments regulating the forestry sector in Kosovo

### The legal and policy framework for the forest sector in Kosovo

There are several institutions involved in combating illegal logging and the overall framework is dependent on each institution to function efficient. The institutions are shown in the chart below:

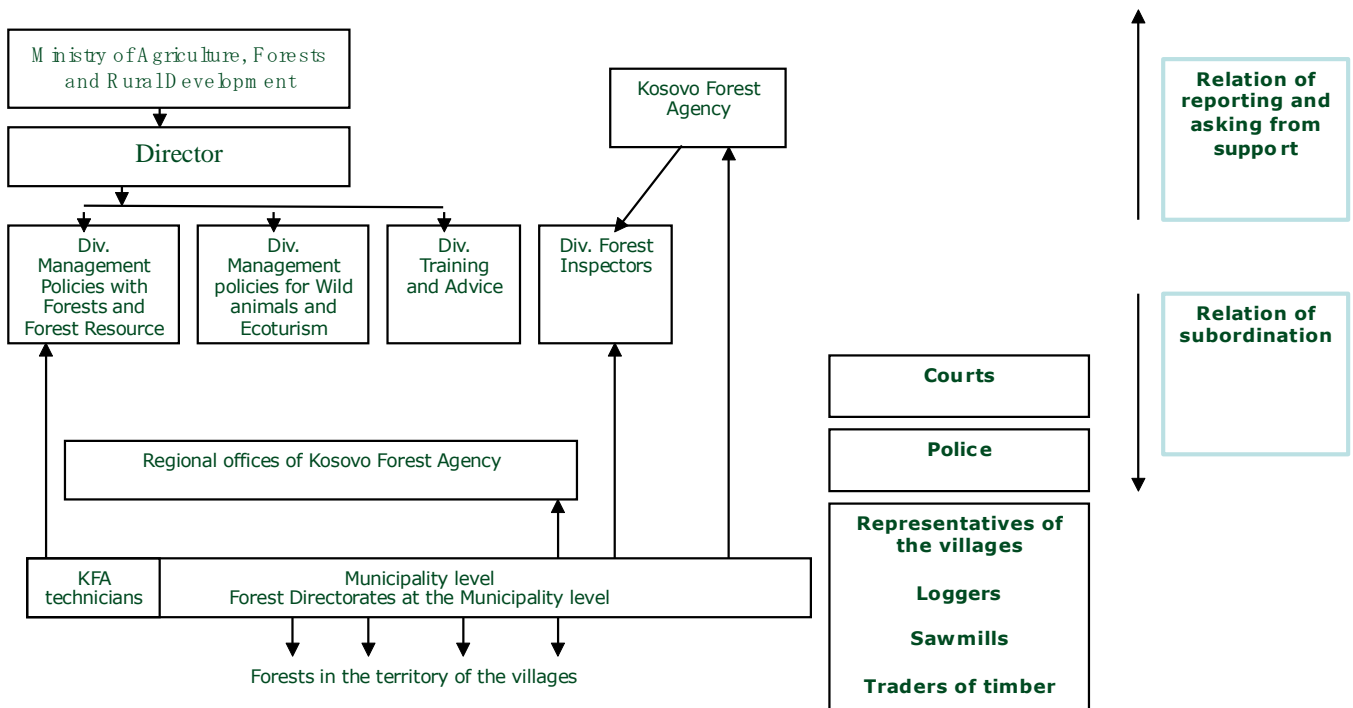


Figure 6: Flow chart indicating the relations between the actors implicated in forest management (Bouriaud et al, 2012).

The figure above shows the relations between the actors in forest management. The upward-arrows indicate that an institution has obligation to report to the institution above and that the lower institution can ask for support. The downward-arrows indicate that the upper institution is superior.

At an overall level, the parliament of the government of Kosovo is responsible for passing the laws providing the forest authorities with the legal basis to fight illegal logging. The forest authorities have three branches: the Department of Forestry, the Kosovo Forest Agency and the municipalities. Figure 6 illustrates the relation between the three entities responsible for policies, implementation and enforcement:



1. The Ministry of Agriculture, Forestry and Rural development, the Department of Forestry and the Kosovo Forest Agency are departments under the MAFRD.
  - The DoF is responsible for writing forest policies and national plans and strategies. They have organizational competences with control of law and policy implementation, but they have no jurisdiction over the Division of Forest Inspectors, whom resides under the KFA. The DoF is responsible for the 10-year forest strategies. The technicians of the KFA report to the Department of Forestry. (MAFRD, 2011) (Bouriaud et al, 2012) (Bensky et al, 2013)
  - The KFA is the branch tasked with implementation of the policies and the short-term operational planning of the forest management. The administration of public forestlands falls under the KFA jurisdiction. The KFA is responsible for monitoring forest health and degradation and also the KFA monitors the collection of revenues done by the municipalities. The KFA has six regional offices working with the Forest Department in each municipality in the regions and KFA is supposed to coordinate the cooperation between the department level and the municipalities and forest owners associations. Raising public awareness on forest sector related issues adheres under the KFA responsibilities. The KFA is responsible for organizing afforestation of degraded forestland, i.e. forestland affected by illegal logging, forest fires and disease outbreaks. The KFA employs one forest technician in every municipality responsible for marking the trees for harvesting. The Forest Inspectorate is housed within the KFA and they have the inspection competences on both public and private forestlands. The forest inspectors cooperate with the Kosovo Police during inspections on markets, road checkpoints and in the forest. (MAFRD, 2011) (Bouriaud et al, 2012) (Bensky et al, 2013) (OAG, 2013)
2. The municipalities have taken over the responsibility for forest protection from the KFA and thus the Forest Guards are employed here. The Forest Guards patrol the forestlands and report cases to the police and they can confiscate timber and write tickets to offenders. They are unarmed and have few means to enforce their authority. The municipalities issue felling licenses for fellings planned by the KFA. The municipalities are reporting incidents of illegal logging and confiscated wood to the KFA.

## **Policy framework**

This section will cover only current policy responses to illegal logging. Shortfalls of the instruments, recommendations for changes and new policy measures will be covered in the analysis in section S4 “Analysis of policy instruments and possibilities for reducing illegal logging”.

The heart of the policy framework is the Policy and Strategy Paper on Forestry Sector Development 2010-2020 (MAFRD, 2009), which is based on the laws and regulations listed earlier in the “Legislation”-section. The following section will describe the policy instruments available to counter illegal logging. The instruments have been identified in the law text and will be elaborated on with basis in the reports presented in the “review section – S1”. Furthermore, the policy instruments in place will be classified thematically after the method put forward by Tacconi et al, 2003 in three categories: Structural instruments, legislative instruments and technical instruments. The structural instruments are complex measures including social, institutional and economic instruments and structures. The legal instruments are policies, laws and regulations. The simplest measures are the technical instruments. (Tacconi et al, 2003)

The coherence of the structures has been accounted for in the sections above. The most important function of the structures will be offered below with references.

### **Structural instruments**

The structural instruments are the most complex. These structures can be government institutions, law enforcement structures or educational institutions. They have their root in legislation or cultural elements and they require a large amount of capital to come into effect. (Tacconi et al, 2003)

The structural instruments in place:

- The Ministry of Agriculture, Forestry and Rural Development itself; and under it:
  - The KFA, responsible for operational forest planning and housing the Forest Inspectorate charged with monitoring the municipalities and cooperating with the Kosovo Police. The KFA are responsible for monitoring the progress of the policy implementation (MAFRD, 2012) and furthermore for administrating the tendering proces. The Forest Inspectorate under the KFA is responsible for implementation

of the law on both public and private lands and they have inspection competences. They can report cases to the MAFRD and to the Kosovo Police. The KFA also oversees the municipality's collection of harvest revenues. (MAFRD, 2009).

- The Department of Forestry, responsible for drafting policies and strategies.
- The Division/Department for Training and Advice, responsible for formulating the forestry training and education.
- A scholarship in forestry and a forestry college adding competences to the forest sector and developing new training modules.
- The Courts of Kosovo and the Kosovo Police. The courts are responsible for prosecuting the criminals and the police is responsible for assisting the forest authorities in their efforts to identify and arrest criminals as well as confiscate equipment used for illegal forest activities.
- The municipalities, responsible for collection of fees, forest management on local level and the municipalities house the Forest Guards. The municipalities are specifically responsible for fighting illegal logging through the forest guard competence.
  - The forest guards are responsible for monitoring and stopping illegal activities in the forests.
- The Kosovo Consolidated Budget is responsible for passing back a percentage of the revenues collected by the municipalities to the municipalities and the KFA. In addition, the KCB is responsible for redistribution of a percentage of the value of sold confiscated timber to the municipalities who seize the timber.

### **Legislative instruments**

The main legislative document regarding the forest sector of Kosovo is The Law on Forests 2003/03 (MAFRD, 2009). Kosovo seeks to harmonize and approximate legislation with EU regulation (MEI, unknown).

A draft report from the Task Force on European Integration (MEI, unknown) brings a list of the legal framework for the forest sector:

Base laws (AOK, 2004):

- Law on Kosovo's Forests, 2003/3 – the base law for the forest sector; The Law on Forests 2003/03 was written in cooperation with the UN FAO (United Nations Food and Agriculture Organization) and is adapted to a free market economy as the republic came under governance of the UNSCR (United Nations Security Council Resolution) 1244 after the separation from Serbia (Markus-Johansson et al., 2010).
- Amendment of Law on Forests, 2004/29 – amendments regarding the use of fiscal measures (punishment) and legalization of logging under 2m<sup>3</sup> for own consumption. Also competences to carry out immediate but temporary confiscation of equipment is given to Rangers, forest inspectors, police and other “authorized persons”. (AOK, 2004);
- Amendment of Law on Forests, 2005/49;
- Law on Hunting, 2005/02-L-53

Additional legal and policy documents with relevance for illegal logging (USAID, 2008) (REC, 2009)<sup>2</sup>:

- The Policy and Strategy Paper on Forestry Sector Development 2010-2020 (MAFRD, 2009) is the main policy document for the forest sector in Kosovo. The policy outlines a number of instruments and interventions that should be implemented for forest management during the period from 2010-2020. According to the Diagnostic Audit carried out on illegal logging by the Regional Environmental Center (REC, 2010), the strategy paper does not deal specifically with policy instruments directly combating illegal logging.
- The National Action Plan (NAP) on Illegal Logging (Ukaj et al, 2012) is a result of an EU Twinning Project specifically targeting illegal logging. The NAP has basis in the Policy and Strategy Paper on Forestry Sector Development 2010-2020 (MAFRD, 2009)

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<sup>2</sup> The original source of the information presented in the list below is the Department of Forestry, MAFRD.

and aims to harmonize the efforts to reduce illegal logging in Kosovo through joint commitment to the frame outlined in the action plan.

- Administrative Instruction No. 12/2005 – establishment of prices and taxes for the use of the wood products, non-wood products and professional technical services, 2005.
- Administrative Instruction No.23/ 2005 – About the issue of professional licenses 2005
- Administrative Instruction No.25/ 2005 – For Selling of Forests Trunks and Woods Assortments 2005.
- Administrative Directive No.02/ 2005 – On responsibilities and tasks of the foresters, 2005.
- Administrative Instruction No.03/2006 – On the authorizations and competences of forests inspections and procedures of issuing decisions, 2006.
- Administrative Instruction No.12/ 2006 – Regarding management plans for the forests in Kosovo, 2006.
- Administrative Instruction No.15/ 2006 About standards and conditions for licensing of the wood processors 2006

The list above offers a short explanation of the purpose of the legal documents. Whether or not EU regulations and policies such as the FLEGT Action Plan (EU, 2003) should be included in the list, but as the EU regulations are to be implemented through national legislation, they are not listed here.

#### **Technical instruments**

- The application process for logging licenses/tenders is a measure to ensure that logging operations are carried out by qualified personnel and with proper sustainability measures in place. (Markus-Johansson et al, 2009) (MAFRD, 2011)
- The KFA technician are responsible for marking trees for harvesting. This instrument is implemented to make inspection of wood transports easier and has the side effect that

illegal logging can be registered in forest inventories. (REC, 2010) (MAFRD, 2011) (Tomter et al, 2013)

- Legalization of unregulated logging of small quantities of timber 7-10m<sup>3</sup> for personal sustenance is a policy measure to reduce the subsistence based illegal logging (Ukaj et al, 2012).
- Creation and continuation of National Forest Inventories to monitor the trends affecting the forest resource is important. (Tomter et al., 2013) (MAFRD, 2009) (UKAJ et al., 2012)
- Carry out continuous operational forest management planning and implementation monitoring of the plans. This responsibility resides under the KFA. (MAFRD, 2011) (USAID, 2007)
- Maintain and expand road checkpoints where timber transports are checked by a joint team of police and forest officials – either forest guards or forest inspectors. According to the Law on Forests 2003/3 transport timber on public roads is illegal without a transportation permit (MAFRD, 2011). This allows for road checkpoints to be established where the Kosovo Police, municipal forest guards and KFA forest inspectors can catch large shipments of illegally logged timber. The Police, the forest inspectors and the forest guards can seize timber and files charges to the courts. (MAFRD, 2011) (MAFRD, 2012) (REC, 2010) (Bouriaud et al., 2012)
- Fines for forest crimes can be issued by the courts (MAFRD, 2012).
- As encouragement for the municipalities to implement effective forest protection they are allowed to keep 30 percent of the value of timber that is confiscated (Bensky et al, 2013).

### **S3: Interviews with key actors in the forest sector of Kosovo**

The interviews are presented as key statements about illegal logging in Kosovo rather than being presented as complete transcripts.

#### **Interview 1: High ranking official, KFA.**

Statements on the development of illegal logging in Kosovo:

- The Forest Inspectors are doing an increasingly better job helping decrease the illegal logging. The number of forest inspectors has been doubled from 12 to 24. An important part of reducing the problem is employing more forest inspectors. However, there is a lack of qualified staff and that problem is in part caused by employers hiring their friends rather than hiring qualified applicants – *“This is a political problem.”*, states the interviewee<sup>3</sup>.
- Forest fires consume many of the KFA resources that should have been used combating illegal logging.
- The competences for forest protection have been moved from the KFA to the municipality and they need to work harder combating illegal logging.
  - There is corruption in the municipalities. The KFA forest inspectors have arrested a Ferizaj forest guard whom is now under police investigation for taking bribe.
- The regions that are most severely affected are Peja, Ferizaj and Prishtina.
- The KFA can give tickets to the municipalities if they are neglecting their duties. Otherwise the instruments available to the KFA is the annual forest management plans, marking trees for harvesting and their monitoring role towards the municipalities.
- The judges of the Kosovo courts are a problem – they do no secure payment of issued fines.
- The police respond very slowly to calls for assistance from the KFA. The forest inspectors often need escort to deal with illegal loggers.
- Politicians on all levels do not take the problem of illegal logging seriously. If a mayor is not prioritizing the issue, it is likely that nothing will be done about it in that

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<sup>3</sup> When an administration changes, for example in a municipality, the winning party is likely to substitute existing officials with their own friends, family etc. (Bergsaker, pers. comm., 2012).

municipality. Politicians at high level have been associated with illegal logging. Maybe some politicians are slowing down policy implementation intentionally.

- The law and policy contributions from the United Nations and the European Union are good, but the implementation is lacking behind. The interviewee suggests that more competences are given to the Forest Inspectorate so that the KFA can put pressure on the municipalities to speed up implementation.
- Official figures for 2011 on illegal logging for Kosovo:
  - Damage in total of 38.416m<sup>3</sup> was uncovered by forest inspectors and forest guards. In total 7.871 persons were fined in court for logging of 27.832,15m<sup>3</sup>. For the remaining 8.584,13m<sup>3</sup> Of these 4.991 persons were given small fines for logging 9.984,44m<sup>3</sup> of timber – the fines amounting to €786.740,07. The remaining 2.880 persons had been logging in excess of 10m<sup>3</sup> and were given larger fines as their crime was classified as being worse. For the 17.847,71m<sup>3</sup> fines of €1.611.141,98 were issued. In total of €2.398.142,05 was issued in fines.
  - The KFA confiscated 4.036,70m<sup>3</sup> of timber in 2011. The interviewee suggests that these numbers could have increased in 2012 as more forest inspectors have been employed.



**Interview 2: Mr. Hysen Abazi, Director of the Department of Forestry, MAFRD. Accompanied by Mr. Tahir Ahmeti, Chief of the Division of Training and Advisory, MAFRD.**

During this interview there were some instances where the interpreter replied on the behalf of the interviewees and those replies have not been included herein as they cannot be defined as representative for the interviewees.

- In 2012 there have been many forest fires that has taken resources from combating illegal logging.
- The logging companies that win the concessions have them for 1-2 years and they are given rights to conduct clear-cutting. Longer term contracts are needed in order to stimulate the companies to implement better forest management, i.e. clear harvesting residue, do plantings etc.. This will reduce illegal logging because the companies will protect their concession plots.
- The EU is good at putting pressure on the political system in Kosovo.
- The government is losing out on tax revenues due to the illegal logging and there is a high demand of firewood as 70percent of the households of Kosovo use firewood as a source of heating during the winter.
- There are many unemployed and poor people in Kosovo creating a large demand for cheap firewood. If the illegal logging was confined to logging for sustenance the problem would be small.
- The interviewees point out that the lack of willingness to deal with the issue in the political system is a problem.
- The biggest impact could be made by extending the concessions to last for longer periods of time thus giving the logging companies incentives to protect their concession plot and to implement sustainable forest management.
- The estimate of the extent of illegal logging is 500.000m<sup>3</sup> and damages amount to about €15 million a year.
- The problem escalated after the conflict when the control system against illegal logging stopped working and the legal framework was inadequate.
- The private forests are in a better state than the public forests.

### **Interview 3: Mr. Gernot Pichler, Resident Twinning Advisor, EU-Twinning Project<sup>4</sup>.**

The Twinning-project is addressing different components regarding forest management:

- a. The forest road network
- b. Tree nursery management
- c. Illegal logging
- d. Forest fires
- e. National parks
- f. Hunting
- g. Capacity building of the private forest sector

Of the above components, illegal logging has the most significant negative impact. On each component there is a Kosovo expert and an expert selected from a benefactor country.

- The demand for firewood in Kosovo is increasing as the population is increasing.
- It becomes increasingly difficult to find suitable wood for technical products due to the high firewood demand and so Kosovo is forced to import wood from Serbia and Montenegro.
- The problem of illegal logging arose after the conflict where there was a gap in the implementation of the law.
- The qualified workforce of the forest sector is too small and much of the staff is not adequately trained in forestry. The road network is worn out and the legal (*author*) forest operators does not have proper equipment to carry out harvesting operations in a sustainable manner.
- In the past decade the ruling attitude of the politicians was that illegal logging is not an important issue. The political focus on illegal logging is increasing and the Forest Inspectorate has been upgraded and this should help addressing the issue.
- Illegal logging should be fought with several measures:
  - a. The DoF needs to change the policy structure.
  - b. Improve the educational system for forestry related training.

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<sup>4</sup> EU Twinning Project: Further support to sustainable forestry management. An EU funded project managed by the European Commission Liaison Office.

- c. Address the retirement issue that will arise in the future as the average age of the employees in the sector is high.
- Families and groups of criminals with a mafia-like modus operandi carry out the largest part of the illegal logging.
  - The planned yearly harvest is too small to meet the high firewood demand thus leaving a gap to be filled by illegal logging.
  - The application system for concessions is not well constructed and the complexity and design of the application process itself causes loggers to disregard applying thus logging illegally or unregulated.
  - Extending the length of the concession periods has worked as a measure against illegal logging in Slovenia.
  - It is important to give the loggers incentives to harvest legally.
  - The illegal timber is not dried before it is sold and thus the consumption of firewood may be 30 percent higher than necessary due to the heat loss caused by the high water content of the fresh timber. On top of the inefficiency of burning the wet timber, the houses in Kosovo are poorly insulated leading to heat loss and further firewood consumption. Increased efficiency of the existing power plants in Prishtina could help relieve some of the demand for firewood.
  - The illegal logging system is arranged so that the cut timber is transported to the markets as fast as possible so that the risk for the loggers is as small as possible. The wood is not stored and dried as this exposes the investment in the timber to theft and uncovering by the authorities.

**Interview 4: Mr. Aleksandar Nikolovski, Chief Technical Adviser and Mr. Naser Krasniqi, National Team Leader, UNFAO.**

This interview is carried out with two officials of the UNFAO (United Nations Food and Agriculture organization) project: *Support to Implementation of Forest Policy and Strategy in Kosovo*. Project description: “GCP/KOS/005/FIN: *Support to Implementation of Forest Policy and Strategy in Kosovo*”. The overall objective of the intervention is to increase the contribution of the forest sector to national economy through sustainable use of forest resources, taking into account the multipurpose forestry, including the economic, social and environmental benefits as well as its contribution to climate change mitigation”<sup>5</sup> (Agroweb, 2014).

- The project is aiming to work on the strategy framework of the forest sector in Kosovo and offer guidance on the National Action Plan (Ukaj et al., 2012) for the forest sector. In a collaboration the FAO and the NFG are working on import procedures, recruitment in the forest sector, logging contracts and PR.
- The application of human resources is not well structured and too many different agendas between the political actors to unify the effort against illegal logging.
- The NFI (Tomter et al., 2013) is important as it can describe and quantify the problem of illegal logging.
- The amount of illegal logging is exceeding the annual increment and the illegal harvesting practices result in overstocking of trees in some areas whilst overharvesting other areas.
- It is important to educate the politicians on the potential monetary contribution to the annual budget of a clean forest sector.
- Illegal logging is not mentioned directly in the policies and has largely been ignored by politicians up until now.
- The DoF has proposed offering harvesting contracts with longer durations to give the operators better incentives to implement sustainable forest management.
- Education in forestry is needed and better educational offers should be created by the MAFRD.

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<sup>5</sup> Quoted directly from Agro Web Kosovo.

- Joint forest management is important and supporting the private forest owners in their management is important.
- Proper implementation of the current strategies and policy instruments is more important than writing new laws.
- The shortfalls of the prevention of illegal logging has root in the following factors:
  - The laws, though they may be adequate on paper, are not implemented with vigor.
  - Many poor and unemployed people are looking for heating sources in the winter.
  - A high demand for fire wood.
- Informal logging or unregulated logging is often entails low levels of local corruption with bribes of €50-100.
- Forest fires have had more attention politically.
- There is pressure from the EU to comply with EU regulations. Largely the laws are adopted, but the willingness needed to implement the laws is not present. There are not sufficient funds and human capacity to drive the implementation either.
- The institutions needed are in place, but the motivation and stimulation to implement the legislation is not present.

**Interview 5: Mr. Haki Kola, Senior International Advisor, Forestry Team Leader, SNV<sup>6</sup>.**

Mr. Haki Kola is the leader of the Head of the SNV delegation in Kosovo.

- There is a mismatch between the current forestry regime and the public demand of goods from the forestlands. The forestry management encourages production of high forest for technical timber production and the public needs firewood for heating in the winter.
- The Kosovo forest sector should employ a management regime that supports the need of the population.
- The extent of illegal logging is underestimated at 500.000m<sup>3</sup> annually.
- It is easy to sell illegally logged timber due to the high demand.
- There are some similarities between the illegal logging in Kosovo and Albania, but in Albania there is little high forest with capacity for producing high quality timber left as the forests have been ravaged by illegal loggers for years. The soils are richer in Kosovo and the increment is higher, meaning that greater values will be lost if the forests of Kosovo are to suffer the same fate as the forests of Albania.
- Introduction of more coppice forest management could yield more firewood more efficiently and spare the high forest for construction timber production. Presently though coppice is banned as management regime.
- Selective cutting of oak, which has been the prevailing forestry regime previously, is not suitable for covering the demand for firewood.
- The villagers log at night to avoid detection and this leads to a hazardous work environment and poor selection of trees leading to bad management.
- In private forests there is a lack of good management and competences with the responsible managers.
- The present legal framework leads to illegal logging for example via the complicated license-application process.
- Two-thirds of the annual harvest is illegal logging.
- Solutions for the problem:
  - A rotation system yielding small-dimension oak (8-12cm DBH).

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<sup>6</sup> SNV is an international NGO based in the Netherlands.

- Carrying out thinnings in young high forest can yield firewood and provide extra job opportunities.
- The ownership structure of the private forests with small management units and private persons whom will uphold their claim on their forestland offers less incentives for illegal logging. However if the owners live far from their land then much of this effect is lost.
- The authorities are struggling to change the mindset of the locals in the rural areas and thus make them realize that the forest resource needs to be managed in a sustainable manner. The authorities try to employ a scientific approach when trying to change the minds of the locals that are more bound by culture and tradition than science.
- Though offering subsidies many farmers could be persuaded to grow short-rotation coppice crops that could supply firewood and much of the illegal logging would be eradicated.
- Implementing agro-forestry schemes could create new jobs as well as produce firewood.
- The illegal loggers that are caught and fined are often the small-scale criminals who end up in jail because they cannot pay the fines. The criminals harvesting on a big scale rarely are prosecuted. There are bribes involved on all levels of the crime, but the bigger enterprises can afford larger bribes that allow them to carry on logging illegally.

## **Interview 6: Mr. Lorenzo Ciccicarese, Project Advisor for the Planting and Nursery component of the EU Twinning Project.**

- Illegal logging is a problem with different causes and effects:
  - Illegal logging is a social issue of poor people who cannot afford firewood and who cut smaller amounts for sustenance.
  - Larger enterprises who harvest illegally for profit. Corruption entails the illegal forest activities.
- Solutions for illegal logging:
  - Afforest empty farmlands to produce firewood. The supply of nursery plants would be an issue.
  - Information to the public about illegal logging and its consequences.
  - The NGO's are relatively weak in Kosovo and thus promote cooperation amongst the present NGO's would grant them influence needed to raise awareness and put pressure on the political system to work the issue of illegal logging.
  - The nurseries need investments to produce more and better seedlings in order to keep up with the demand for afforestation after clear cuts and illegal logging.
  - Focusing on developing bioenergy options to relieve a share of the firewood demand.
  - Internships for young people in the MAFRD/KFA would be a good way to integrate younger people in the forest sector.
- The new draftlaw (MAFRD, 2011) may bring about a more wholehearted effort to combat illegal logging if/when passed.
- There is no clear policy for forestation, but high volume of planting stock with low production costs would be a good plug in the gap in afforestation.
- The integration into the EU is mainly a wish of the younger generation. The older generation is not as open to EU-initiatives, a fact that does not benefit the implementation of EU-related legislation in a sector with a high share of staff from the older generation. For the young people working in ministries as the MAFRD is not attractive. The pay is low and there is little prestige in working for the MAFRD.
- The level of English speaking in the older generation is also a challenge when working with international organizations and projects.



### **Interview 7: Mr. Kadri Kadrijaj, Head of KFA in Prishtina.**

Mr. Kadri Kadrijaj is head of an office that also house forest inspectors.

- The extent of illegal logging is decreasing and more criminals are caught and fined.
- There has been a coordinated effort to instigate forest crimes.
- There is a political willingness to address law-issues however, there is only one forest engineer employed in 37 municipalities meaning that the control competences they have inherited from the KFA are not properly upheld. Little money follow in the wake of the declaration of support to the forest industry.
- Suggestions to combat illegal logging:
  - Better wages on the lower levels of the forest sector.
  - The number of forest inspectors with the KFA has increased from 6 to 18 in 2011, but they do not have cars available for all their inspectors.
  - More road checkpoints.
  - Passing and implementing the draft-law (MAFRD, 2011) as it gives new important instruments to fight illegal logging.
- Not all the police chiefs are reliable and the police need better equipment to fight the organized criminals.

### **Interview 8: A former employee of an aid-project.**

- The firewood market in Kosovo is estimated to have an annual turnover of roughly €50.000.000 and it is well organized. The price for a stack of firewood (0,6-0,7m<sup>3</sup>) is around €40.
- A rural family use 10m<sup>3</sup> of firewood per year on average. A semi-rural family use 7m<sup>3</sup> and a family in Prishtina use on average 3m<sup>3</sup>. The annual firewood demand is around 1.300.000m<sup>3</sup> of wood.
- The problem of illegal logging exists on different levels:
  - The law is good but there is lack of willingness policy implementation.
  - No political commitment to combating illegal logging.
  - Corruption at all levels and structures of the government.
- Having two forestry bodies with overlapping and unclear competences dilutes the law enforcement.
- The mayors in the municipalities have a lot of power. Contradicting or criticizing mayors can “...get you in trouble.”<sup>7</sup>
- Suggestions for combating illegal logging:
  - Give larger responsibility to local authorities and increase the number of forest guards.
  - Upgrade the staff at the local level (municipalities).
  - Increase field controls and monitoring of the forest sector in general.
  - Give logging concessions in local forest areas to local villages or families so they feel ownership and care about the management.
  - Plan the harvesting on the needs of the population rather than basing it on what has been traditionally favored.
  - Increasing the legal logging to dump market prices thus stripping the profit from the illegal loggers.
  - Extending the length of the concession might lead to better management, but the interviewee is not convinced this will lead to a radical improvement.
- Corruption is present at all levels of government.
- The value of the firewood market is estimated to be €50.000.000.

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<sup>7</sup> Expression copied directly from the interview transcript.

- The interviewee has held a high-profile office with a forest authority and claims that he was dismissed from his office because of his interest in combating illegal logging.
- Mayors who are willing to deal with illegal logging do not have human resources or equipment enough to implement measures against the illegal industry.
- The increase in the number of forest inspectors in 2011 (from 6 to 18 FI's) has had little effect in reality.

#### **S4: Analysis and conclusion**

The following sections will present challenges and solutions for reducing illegal logging in Kosovo using the same differentiation of the suggested means as previously employed in the section on “Policy framework” under sub-objective 2: Structural challenges and solutions; Legislative challenges and solutions, and Technical challenges and solutions (Tacconi et al, 2003). These sections presents only the views and suggestions put forward by the articles and reports. In the analysis, the interviews will be drawn in to support or oppose the view from the articles.

Fulfilling the EU Timber Regulation 995/2010 (EU, 2010) – henceforth referred to as the Due Diligence regulation – is an important step for Kosovo’s ambition to enter the EU (MEI, unknown). Under the Due Diligence regulation traceability of the wood is important. The company presenting the timber on the market is responsible for showing “due diligence” and have control measures in place that ensure that the timber has been harvested without breaching national legislation – a legislation which is to fulfill the criteria of the EUTR 995/2010 – also known as the Due Diligence regulation. Therefore, timber harvested illegally in Kosovo is breaching the Due Diligence regulation and cannot be presented on the market in the EU. (EU, 2010) (EU-PO, 2010) (Buckrell and Hoare, 2011) (MEI, unknown)

The Due Diligence regulation applies to all timber operators and traders in the EU and thus the ambition to join the EU will rely on ratifying and implementing the proper steps to ensure compliance of the entire production chain in the forest sector of Kosovo (EU, 2010) (MEI, unknown) (Buckrell and Hoare, 2011).

The Policy and Strategy Paper on Forest Sector Development in Kosovo 2010-2020 (MAFRD, 2009) although recognizing the importance of illegal logging as a forest sector issue gives no priorities for combatting the illicit activities. Likewise, the National Agricultural and Rural Development plan 2009-2013 agrees to the problem without offering means to solve the issue. (Ukaj et al, 2012)

The National Action Plan against Illegal Logging in Kosovo (Ukaj et al, 2012) presents a series of actions to be taken to empower the forest authorities with concrete measures to fight illegal logging (Ukaj et al, 2012).

The issue of illegal logging can be dealt with as three different issues according to the character of the driver:

As the Due Diligence regulations requires a significant part of the enforcement to be implemented in the member state it is a prerequisite that the member state, in this case Kosovo, has sufficient measures in place to monitor and guarantee the legitimacy of the information fed into the Due Diligence-system. The market operators can either choose to implement their own control measures living up to the standards or choose to implement a Due Diligence-system provided by a certified monitoring organization. Harmonizing their legislation to the EU Timber Regulations is only the first step towards fulfilling the regulation – the implementation of policy measures and deterrents for effective compliance of the laws is necessary. (Buckrell and Hoare, 2011)

Based on the obligations described above the forest sector of Kosovo has some challenges that must be overcome before the Due Diligence regulation is fulfilled. These challenges and suggestions for solutions will be given in the following sections of this chapter.

### **Structural challenges and solutions**

When the challenges and solutions require changes in the structural organization of the forest sector to be implemented, they will be listed in this section.

- The absence of forestry education and training as well as shortage of qualified forest workers and engineers is a paramount issue that hems the development of forest management in Kosovo. Educational offers are essential on both university level and also on technical level for continued professional development. (REC, 2010) (USAID, 2008) (Bensky et al, 2013) (Markus-Johansson et al, 2010) (REC, 2009)
- The Ministry of Economy and Finance should take over control with the wood markets and thus exclude illegal wood from the market places. (REC, 2009)
- It is important to begin a multilateral cooperation for sustainable forest management in the region and establish cooperation in the border areas, which are more exposed to illegal logging. Kosovo is a major importer of illegally logged timber from the region – mostly Serbia and Albania. EULEX and KFOR should mediate between Kosovo and

Serbian authorities in the border regions in the effort to combat illegal logging. (Bensky et al, 2013) (REC, 2010) (Ukaj et al, 2012)

- The Unit for Project Coordination that administers funds for the MAFRD is not well structured and the flow of funds is not properly functioning. Securing the flow of funds from the KCB to the DoF and the KFA that is ratified in the Law on Forests 2003/3 and increase the budgets of the forest authorities. Investing directly in the forest sector will be important in the future. (REC, 2010) (USAID, 2008) (Bensky et al, 2013) (Markus-Johansson et al, 2010) (REC, 2009)
- Establish proper forest departments in the municipalities to put forestry on the agenda and give support on forestry issues (Bouriaud et al, 2012). Elaborating on this issue is Markus-Johansson et al, 2010: Decentralizing forest management is likely to improve the balance between legal supply and demand and cooperation between central and local authorities needs to be strengthened.
- An inter-ministerial task force in charge of implementing and overseeing the National Action Plan should be assembled as soon as possible. (Ukaj et al, 2012)
- The politicians must put illegal logging on the agenda and policies targeting illegal logging specifically are needed. (REC, 2010)
- To promote Sustainable Forest Management the responsible forest authorities must cooperate with the Ministry for Internal Affairs and the institutions of justice, where forestry cases ranges low on the list of priorities. Also an executive board for management of borders and boundaries shall help defining ownership. (REC, 2010)
- The private forest owners need a support structure in the shape of owners associations, joint management and financing opportunities. The KFA should have resources to extend the support to the private forest sector. (REC, 2009)
- High-level corruption in the state could be a factor making this information uncertain and the law enforcement weakened by the slow-working judicial system. The forest inspectors should be independent from the KFA to enable them to exercise control and inspections on all forest authorities. There should be an investigation into corruption on

all authorities involved in letting the illegal loggers operate, i.e. Kosovo Police, the court system, the combined forest authorities and the municipalities. (Bensky et al, 2013) (Ukaj et al, 2012)

- A commission assessing the damages from illegal logging each year will expose weaknesses in forest protection. Commission members could be police officers in troublesome regions. (Bouriaud et al, 2012)
- Develop alternative heating sources to firewood such as biomass burning systems. That will also ensure more efficient timber utilization by the stakeholders in the forestry business, i.e. sawmills and pellet plants, to create a better market for construction timber and create jobs. The Department of Energy and the mayor and the local assembly should also play a key role in this cooperation. (Bouriaud et al, 2012) (Bensky et al, 2013) (Ukaj et al, 2012)
- Moving the forest inspector competence to the KFA and increasing their mobility would contribute with more control and better sharing of knowledge. However the management competence and the controlling competence should not adhere to the same entity and thus management competences should be transferred to the municipalities. There should be a doubling of forest guards and there should be one forest inspector for every ten guards. The inspectors should have a no criminal record. The authority of the forest inspectors must be independent from the officials whose work is under inspection. (Bouriaud et al, 2012)
- With the increased responsibility in combating illegal logging and managing the forests the municipalities should also receive an increase in funding from the government. (Bensky et al, 2013)
- Increase the efficiency of the KFA and the judicial system; the courts solve very few cases of illegal logging and they seem unserious in the prosecution of perpetrators (REC, 2009). The EULEX should support the courts with the backlog. There has been a suggestion from central Kosovo offices that the EULEX judges and prosecutors educate and train their Kosovar counterparts. (Bensky et al, 2013)
- Set up a data system to track illegal logging and support mapping and identification of illegal logging. (Bensky et al, 2013) (Ukaj et al, 2012) (Markus-Johansson et al, 2010)

- A joint effort of Kosovo agencies and offices against illegal logging should be coordinated through UNMIK, EULEX or UNKT. (Bensky et al, 2013)
- Create a rapid response Forest Office with the police force that are trained in dealing with illegal logging. (Ukaj et al, 2012)

### **Legislative challenges and solutions**

Challenges and solutions that require implementation of changes in the legislative or policy framework of the forest sector will be listed in this section.

- The application process for logging permits is not working properly as it is complicated and badly managed because the municipalities, whom now are in charge of this procedure lack skilled professionals. (Ukaj et al, 2013) (Bensky et al, 2013) (REC, 2010) (Ukaj et al, 2012)
- Forest protection should be extended to include private forests. (Markus-Johansson et al, 2010)
- MAFRD should incorporate the FSC certification in the “Policy and Strategy on Forest Sector Development 2010-2020” (MAFRD, 2009). (Bensky et al, 2013)
- The forest authorities should open up for tenders to individuals to satisfy own needs and make money of selling firewood. (Bensky et al, 2013)
- The forest strategies of Kosovo are adopted from EU countries that focus on production of construction timber rather than firewood leaving the strategies unbalanced with the needs of the consumers in Kosovo<sup>8</sup>. (Bensky et al, 2013)
- The lowest level offenders should be penalized with “forest community-service” rather than incarceration. (Bensky et al, 2013)
- The police have been an effective deterrent and should be included more in operations and road controls of timber transports should be encouraged. A consequence of having the truck and timber load confiscated even temporarily is discouraging. A memorandum of understanding between the police and Ministry of Internal Affairs could boost the police’s contribution further. (Bouriaud et al, 2012)

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<sup>8</sup> The authors offer no solution for this challenge.



- It is likely that the forests will continue to be overharvested in the immediate future unless incentives can be given to legalize the illegal logging enterprises through supportive policies. (Bouriaud et al., 2012)
- Municipalities should be allowed to organize locals in publicly owned forest enterprises. (Bouriaud et al, 2012)
- The MAFRD should integrate the FSC certification guidelines in the forest policy (MAFRD, 2009) thus improving the forest sectors trade and export opportunities. (Bensky et al, 2013)
- KFA property is not clearly defined (REC, 2010)
- Expand the experimental forest sanitation program that has been initiated in some municipalities where locals can harvest undesirable trees thus benefitting forest health and the local population. (Bensky et al, 2013)
- Foresters are unarmed when dealing with armed and violent criminals (REC, 2010);
- Forest restoration fund is contradicting legal financing procedures in Kosovo and thus non-functional (REC, 2010).
- The municipalities need a clear definition of their role and jurisdiction as they take over more responsibility for forest management (REC, 2010) (USAID, 2008).
- The permit system should be simplified. (Bouriaud et al, 2012)
- There are a number of contradictions and misunderstandings in the current version of the Law on Forests 2003/3 even with the present amendments. However there is consensus that the law needs an upgrade rather than Kosovo needing a completely new Law on Forests. (REC, 2010) (USAID, 2008)
  - There is a new draft of the Law on Forests under way in Kosovo that shall improve the legislation. (MAFRD, 2011)

### **Technical challenges and solutions**

When the challenges and solutions can be implemented through technical changes that can be carried out with basis in the present legislative framework they are listed in this section.

- The annual legal harvest should be increased to present more timber at a lower price on the market and thus put pressure on the illegal logging business. (Ukaj et al, 2012)
- Raise awareness by educating relevant ministry (non-forest) officials outside the MAFRD on timber transport control and illegal logging. (Ukaj et al, 2012)
- Let families carry out pre-commercial thinnings for firewood and offer amnesty and incentives for illegal loggers who agree to “convert”. Offering specific firewood-permits at a lower price. (Ukaj et al, 2012)
- The short-term approach under the low-funding regime should be to prioritize low cost measures. (Bensky et al, 2013)
- Investing in non-timber forest products could provide alternate legal employment for illegal loggers and increase the revenue stream from the forest sector. (Bensky et al, 2013)
- To create precedence for larger fines the court system should digitize the fines given for illegal logging so the fines can be equalized in the districts. (Bensky et al, 2013)
- The MAFRD should offer performance-based rewards for the bodies with the administrative responsibility. This includes a commission-based salary system for forest guards when they make seizures and issue fines. (Bensky et al, 2013) (Ukaj et al, 2012)
- The police needs basic training in identifying the timber and cross-referencing with the transport permits. This training should be provided by the KFA. (Bensky et al, 2013)
- Long response times from the police allows the criminals to flee. (Bensky et al, 2013)
- To optimize the use of the KFA technicians available in the municipalities for marking trees, they should prioritize marking high forest rather than low forest. (Bouriaud et al, 2012)
- The budget for the DoF and the KFA should be increased (REC, 2010) and the lack of human resources, training and equipment can only be addressed through increased forest budgets (Markus-Johansson et al, 2010).

- The forest road network needs restoration and upgrading so that more of the forest resource will become available and the harvesting equipment is outdated to the extent where it inhibits the forest workers in managing the forest resource sustainably. (REC, 2010) (USAID, 2008) (Markus-Johansson et al, 2010)
- Revising of structure of wood volume, the harvesting plans should take the demand into account and thus produce more firewood and less technical wood. (REC, 2010)
- Reinforce transportation controls and permanent check points with police attendance checking timber transports and confiscating timber and transportation means immediately if the paperwork is not in place for the transport. (REC, 2010) (Bouriaud, et al, 2012) (Ukaj et al, 2012)
- Media campaigns against illegal logging to raise awareness of illegal logging (REC, 2010) (REC, 2009). NGO's operating in Kosovo should help facilitate this (Bensky et al, 2013).
- Facilitate import of technical wood and firewood to cover a share of the demand. (REC, 2010)
- Produce firewood from commercial thinnings to relieve the pressure on high forest resources. (REC, 2010) (Bouriaud et al, 2012)
- KFA uses a tendering procedure that gives entrepreneurs the opportunity to harvest as they please due to lacking control measures and punishments for not fulfilling the obligations in the contracts. (REC, 2010);
- Too little public feed-back (art. 17 in the Law on Forest 2003/03) (REC, 2010)
- Increase afforestation to counter the forest degradation that is occurring due to the illegal logging. (USAID, 2008) (Ciccarese, interview 6)
- Increase the number of Forest Guards and provide them with the equipment and training that they need. This includes amongst other things means of transportation and arms. The

Forest Guards are underpaid and thus more susceptible to bribe. (USAID, 2008) (Ukaj et al, 2012) (REC, 2009)

- The minimum fine for illegal logging is not defined and the fines written out are not substantial enough to deter criminals. In addition the individual employees in the judicial system does not appear to take illegal logging seriously and the cases can drag out for three to four years before there are any consequences for the criminals. (USAID, 2008) (REC, 2009)
- Municipalities should present firewood at lower prices on local markets to ruin the market for the illegal enterprises. Dried firewood should be made available to save costs and local (municipalities) sawmills should be build to create a market for construction timber. (Bouriaud et al, 2012) (Ukaj et al, 2012)
- Prosecute the “big fish” rather than the small-scale criminals. (Ukaj et al, 2012)

## Analysis and conclusion

Several of the reports agree on challenges facing the forest sector. By comparing the identified issues of Bensky et al, 2013 with those of for example the USAID report from 2008, it becomes obvious that a major breakthrough has not occurred in the past five years – in spite of the considerable efforts that have been put into mapping illegal logging and drawing up possible solutions. The development from the earlier reports from 2007-9 (USAID, 2007; USAID, 2008; and REC, 2009) to the newest reports from 2012 and 2013 (Bouriaud et al, 2012; OAG, 2013; and Bensky et al, 2013) is the character of the solutions suggested and the depth of the description of the problems. Amongst these new suggestions the most interesting due to the slow, or possibly lacking, flow of funds from the KCB to the forest authorities are the suggestions that can easily be implemented at low costs:

- a. Possibility of immediate – if temporary – on-the-spot confiscation of timber and logging equipment including timber trucks by forest guards and police officers as suggested by Bouriaud et al, 2012 and the Office of the Auditor General (OAG, 2013). The confiscation will be enforced on a precautionary-principle if there is suspicion of foul play. The confiscation will be confirmed or rejected by a court order at a later state, but the seizure will put an effective end to the logging activity and the illegal loggers will be temporarily lose their means of making money. This is suggested to be a competence that could be granted via an amendment in the Law on Forests 2003/3 and it would enhance the deterrent effect of the road checkpoints. This suggestion requires political will to be written into an amendment and it requires safe holding areas near the road checkpoints – means that are not extensive or expensive compared to larger structural changes of the forest authorities etc.. There will be an extra cost as the implementation will require
- b. Some trails have been carried out on municipality level where local families have been allowed to harvest trees that were marked for thinning and keep the firewood. This is reported to be a success on a small scale (Bensky et al, 2013). This is a low-cost option to implement better forest management and at the same time relieve some of the economic pressure on the rural population, who would either log illegally themselves or buy illegally logged firewood. To implement this solution the KFA technicians in the municipalities will need extra resources as they would be the source of the

implementation, marking trees for the thinning and the municipality would need some extra funds and skills to manage the operations.

- c. Bensky et al, 2013, also raise the suggestion that rather than incarcerate small-scale illegal loggers who do not have the means to pay their fines, they should be sentenced to community-service in the forests. This would serve to educate them on forestry practices and rather than being a financial burden on the prison system they would contribute to forest management. Implementing this suggestion would require additional funding to the municipalities and skills to educate and enroll the offenders in the forest management.
- d. The suggestion in b. and c. point in the direction of the development that both Markus-Johansson et al., 2010 and Bouriaud et al., 2012, call for in their reports – increased decentralization of forest management meaning more funds and responsibility sourced to the municipalities. The background for this discourse is the idea that the forest management will more flexible to include the local population in the forest management, create jobs and manage the forest production to the needs of the locals. This suggestion will bring about larger structural changes to the forest sector if implemented and the DoF and especially the KFA could potentially disagree due to loss of power and funding.

Several of the reoccurring challenges that have been continuously outlined in the reports as significant issues is:

- a. The lack of education in forestry is mentioned by many sources as imperative (REC, 2010) (USAID, 2008) (Bensky et al, 2013) (Markus-Johansson et al, 2010) (REC, 2009). This is a major structural challenge to address as creating an educational institution requires a considerable amount of resources: buildings, skilled and qualified teachers, administration etc. Some scholarships have been created, but the system is still far from adequate. Extending scholarships to pay for education abroad with the clause that if the student does not return to Kosovo upon completion of the degree, the full scholarship must be paid back, could be a temporary shortcut to raise the skill-level of the forestry sector. Mr. Erling Bergsaker (Bergsaker, 2012) was skeptical of this suggesting and objected that the students might never pay back anyway and stay abroad. This could be addressed again by claiming the fees back and by signing partnership contracts with the

universities obligating them to hold back the official degree until the student had worked for 3-5 years in Kosovo.

- b. Development of heating alternatives has also been suggested by several papers as a means of alleviating the pressure on the wood resources . Especially developing biomass alternatives to heating could be relevant as many farmlands are currently left fallow (Bouriaud et al, 2012) (Bensky et al, 2013) (Ukaj et al, 2012). This is will be a large project including introduction of new short-rotation forestry regimes, new crops, construction of biomass power plants and new infrastructure. Cooperation between the MAFRD and the Ministry of Economic Development (Department of Energy and Mining) will be a prerequisite for successful implementation (Bouriaud et al, 2012).
- c. Combating corruption is also a raising concern (see the section below) and is one of the conditions that must be eradicated if the implementation of the laws and policies is to be successful (Bouriaud and Niskanen, 2005) (Ukaj et al, 2012) (Bensky et al, 2013). Removing the corrupt individuals from the system after a thorough inquiry would be an extensive process stretching from local offices, the police, the courts and authorities to the national government (Ukaj et al, 2012) (Bensky et al, 2013) (Mr. Aleksandar Nikolovski and Mr. Naser Krasniqi, Interview 5) (Former aid-project official, Interview 8) (Markus-Johansson et al, 2010). Removing all these officials would also inevitably drain the system of a large portion of competence and resources that are scarce already and it will damage an already grey image. Punishing the corrupt with proportionate fines to “teach them a lesson” would keep them in office, but still contribute to ruin the credibility and reputation of the officials. Punishing the corrupt might thus backfire however justified. The problem will be much the same as the problem of the illegal loggers – there are not enough legal harvesting operators to fill the legal logging quota if the illegal loggers were all incarcerated. Offering incentives and amnesty for “converts” who in addition should be encouraged to reveal other criminals ahead of an extensive investigation could save time, resources and let some of the lesser criminals keep their functions as their competences will most likely still be needed. The investigation should be sufficiently thorough and the punishment severe enough to offer a real deterrent for those not accepting the amnesty. The investigation should not target forest guards who are bribed with €8-50, but rather go after the high-ranking officials where the larger sums

of money change hands and thus remove fewer big-scale criminals commanding networks and power in the illegal system. It is essential that the individuals who are granted amnesty are also offered police protection and that their identities are not publicly disclosed and indeed only a limited number of trusted officials should have access to this sensitive information.

A notable change in the reports is the increasingly direct language when describing the issue of illegal logging and the causes of it. Both Ukaj et al, 2012 and Bensky et al, 2013 mention corruption on all levels of the political arena. Over the period of time that the reports represent the estimates of the extent of the illegal logging increase. Bouriaud et al, 2012 states that the extent of the illegal logging might be up to 500 percent of the legal harvest. This discourse is also evident in several of the interviews where the interviewees are more open in their critique than they have been in reports, such Mr. Haki Kola (Interview 5). The exception is the officials of the forest authorities (High-ranking official, Interview 1; Mr. Hysen Abazi, Interview 2; and Mr. Kadri Kadrijaj, Interview 7) who stubbornly cling to the substantially lower official figures and make claims of improvement that are questioned by almost all the independent and semi-independent reports where international experts have been involved in the work. There is still an apprehensive and reluctant air about some of the interviewees which the Local Project Coordinator, Mr. Ibrahim Muja (Muja, 2012) explains is due to the fear of retaliation from persons involved in illegal logging.

There is still a very low revenue collection from the forestry sector sending a bad signal upwards in the government system (MAFRD, 2012). This is a problem reinforcing itself – without further investments in the forestry sector those revenues will not increase. All the reports agree that there is potential for significantly increasing the revenues given the investments are made. The illegal activities force the forestry institutions to spend money on deterrents from their scarce budgets. Currently the forestry sector contributes with 1,8-2,6 percent of the GDP but there is potential for increasing this to 3-4 percent by 2013. If illegal logging is reduced and the forest management is optimized then the contribution could be up to six times greater. (REC, 2009)

Not only will the KCB see an increased revenue stream, but there are also significant socio-economic gains by turning the forest sector legitimate: employment in the rural districts, avoidance of conflicts and violence that harangue the sector now. Increased self-sufficiency in



wood products, building of authority in the public sector and more efficient management and use of the forest resource ultimately increasing its value also counts amongst the socio-economic benefits and there is potential to extend the positive effects to the buildup other forest-related industries such as harvesting non-timber products and bio-mass.

Environmental benefits will include less forest degradation, better erosion protection, storage of carbon and conservation of ecological values.

The progress of the different activities is evaluated with strategy indicators. The program results for reducing unlawful harvest shows a decrease in the unlawful harvest and there is now a national action plan to combat illegal logging which has been approved and is pending implementation (MAFRD, 2012). Most of the reports and EU officials and independent experts contradict this optimistic view and information provided in the same report arguably also contradict the willingness to reduce illegal logging. The status of the specific activity to reduce unlawful harvest is “ongoing” in the Progress Report (MAFRD, 2012) on the Policy and Strategy paper (MAFRD, 2009) from the MAFRD however, in the financing status overview it is indicated that there is a “financing gap” of €84.722,00. This financing commitment is classified as being an ODA-commitment (Official Development Assistance) i.e. it is to be received from an external funding source in this case it resides under the USAID KPEP (Kosovo Private Enterprise Program) (MAFRD, 2012). The fact that the only funds on the budget for combatting illegal logging are the funds promised by external organizations shows that the government has not chosen to commit funds from the KCB. This can be interpreted as lack of willingness to give the issue the priority needed to efficiently combat the causes and drivers of illegal logging.

There are inconsistencies between government institutions and a lack of coordination within the forest law framework that needs to be cleared up. Badly defined responsibilities of the forest agencies contribute to lessening the efficiency of implementation of the legislation. Even though there is a NAP on illegal logging (Ukaj et al, 2012) do exist it is not constructed on the basis of a thorough analysis of the needs of the forestry sectors in the states. More monitoring and data collection is needed in order to construct and implement strategies and policies ensuring sustainable use of the forest resources. The relevant stakeholders should all be included in the process of redesigning and upgrading the existing framework. (Bensky et al, 2013)

On the short-term it would seem most logical to apply for small budget increases and try to demonstrate progress for the central government by implementing simple low-budget measures locally, maybe even at a reduced scale to provide evidence that it is worthwhile investing in the sector. At the same time the international actors in Kosovo should put pressure on the Parliament to source more funds to the forest sector and to commit to strategies incorporating the cost-heavy structural changes that will have a larger impact in the long-term.

If one factor for rapid reduction should be pointed out, it must be the lack of support from the police and the courts. There are little, if any, deterring effect in their authority as it is not enforced. Failure to address this problem is likely to hamper any short-term efforts to reduce the illegal logging.

The most important illegal logging issue is to stop the criminal networks that are doing the most damage to the forests. This will also prove to be the hardest issue to solve as the networks are connected to corrupt officials on all levels whom are likely to protect their own interests and keep the industry in business as long as they have no incentives or deterrents to stop. The fight against this system of illegal logging will have to be a persistent effort lasting years and costing money. The determination and doggedness of the central government and local administrations will make or break the success of the attempt to eradicate illegal logging for good, but starting with many small initiatives that have proved their effect in trails could help raise political awareness and willingness to address the issue. Increased pressure from the public through awareness campaigns could also help.

## **Discussion**

### **Limitations of the present study**

The collection of sources for interviews was limited due to the timeframe of the visit in Kosovo and the fact that very little preparations had been done before travelling. Having researched the structure of the problem and the implicated actors beforehand would have probably have resulted in several additional interviews.

Due to lingual barriers the interviews with most of the locals (Kosovarians) were supervised and partly or fully conducted through Mr. Ibrahim Muja. Despite the interpreter being sufficient in English there were some misunderstandings during the interview process.

The municipalities are the objects of critique and have become central in the forest management with the relocation of responsibilities from the KFA in 2010 and no officials from municipalities have been interviewed for this paper. They could have shed light on the challenges that the local administration meets when carrying out their duty. There are municipalities whom are more willing to address the illegal logging, there are municipalities where the administration is not facilitating any countermeasures, and it would have been possible to identify municipalities representing each approach and interview officials to illustrate the difference in policy discourse.

No representatives of legal and illegal harvesting enterprises have been interviewed. Though interviewing illegal logging operators would have been a risk and difficult, it would have been interesting to understand their behavior and it would have offered a chance to assess whether there is a chance of “converting” the loggers to follow the regulations.

Interviewing officials from the courts and the Kosovo Police in the same manner as the municipalities, where a facilitating and a non-facilitating municipality was interviewed and the differences illustrated.

In an ideal study, both the willing and unwilling actors should have been represented and their motives uncovered to side them against each other however, due to the fact that a part of the issue is that the activity elaborated is illegal, it is unlikely that perpetrators will admit to their crimes for this study. In theory some of the interview candidates could be part of the corruption that keeps the illicit business going. Informal accusations made known to the author against one

of the candidates suggested that this individual or the individuals close colleagues were corrupt, but it was impossible to uncover the truth in that matter and thus it will not be elaborated on here.

Reviewing and assembling information presented in previous studies and reports provided a good basis for understanding the issue and the challenges facing the government in Kosovo if the forest sector is to be cleared of illegal logging. Though many studies point to many of the same shortcomings of the forest sector and the governmental commitment to eradicate illegal logging there are progress and development indicating that some points are hitting home. Reading more reports and studies would probably not have contributed with significant new views on the issue.

### **Perspectives on the present study**

This study has contributed to assemble the main findings of the previous literature on the topic and presented them in a coherent context. The interviews have added important viewpoints to the views presented in the literature and the recommendations put forward in the conclusion are weighted against the likeliness of implementation, thus offering a perspective on the future development of illegal logging in Kosovo.

Further studies exposing failures to address illegal logging are hardly needed, but there is a need of studies that investigate and expose the concrete mechanisms of the illegal logging networks harbored within the institutions of Kosovo. Direct exposure of the networks and their modus operandi will make it increasingly difficult for the government to ignore the presence of the problem.

Efforts in the future should also construct and suggest low-cost measures with as high an impact as possible. This would serve to address the issue from the bottom-up. Staging Kosovo-wide projects to implement low-cost measures at municipality level could be a way to start the process. Ensuring participation from the local population and offering them incentives to do legal paid work would help reduce the available workforce for the illegal operators.

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Interview 4: Mr. Aleksandar Nikolovski, Chief Technical Adviser and Mr. Naser Krasniqi, National Team Leader, UNFAO.

Interview 5: Mr. Haki Kola, Senior International Advisor, Forestry Team Leader, SNV – Netherlands Development Organisation.

Interview 6: Mr. Lorenzo Ciccarese, Project Advisor for the Planting and Nursery component of the EU Twinning Project.

Interview 7: Mr. Kadri Kadrijaj, Head of KFA in Prishtina.

Interview 8: a former employee of an USAID-project. The identity of this person is disclosed to the censorship only for the protection of the interviewee. 2012.

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## Appendices

### Appendix 1: Interview questions

The interviews had the following questions as a guideline. In practice however, the interviews were more fluent and therefore the list is only indicative.

1. How long have you worked in the forest sector/current job?
2. What is your function in your job?
3. Previous jobs? Before/during the war?
4. Who do you think/know does the IL?
5. Is the extent of IL is worsening or getting better?
6. Are there people who benefit from the activity?
7. What is the extent of IL? M3/year, percent/yearly harvest, economic consequence?
8. What different kinds of illegal logging are there?
  - a. Wood fuel – house holds
  - b. Wood fuel for business – selling on
  - c. Stealing of quality timber
  - d. Lack of licenses that would have been obtained?
9. Where is the problem most widespread?
  - a. Public vs. private forests?
  - b. N, E, S or W – regions?
10. Where does the timber go?
11. Have you heard of any illegal activity going on in your district?
12. Have you ever witnessed IL? Have you ever heard of anybody who has witnessed it?
13. Do you know of any relations from criminals? Know of someone who has been threatened?
14. Do you know about any deals that are cut out where workers are paid to turn the blind eye or even help organize the illegal activities?
15. Have you witnessed inspections/seizures of timber loads?
16. Do you know any Forest Guards/Inspectors who had taken bribes?

17. Have you heard of big seizures?
18. Have you heard of anybody taking “a little extra” home for the family?
19. What are/can be the consequences for IL in private forests?
20. Private forest owners more “powerful”/have better deterrents?
21. Other problems associated with IL?
22. Who does it? Are the illegal operations carried out by organised criminals or locals?
23. Who facilitates it? High or low level officials?
24. Have you participated in meetings about IL? Do you know if there’s been any?
25. What are the main reasons for the IL activities? Poverty? Etc.
26. Where is the timber processed/destination of the timber?
27. Does the money stay in Kosovo?
28. Is the problem being taken seriously?
29. Is it your impression that there is will in the government, DoF or KFA to do something about illegal activities?
30. What is the most important tool/deterrent?
31. Are they working to implement it?
32. Is it useful in Kosovo? Measures hard enough?
33. What is the most important function of the directive, for Kosovo?
34. EU influence in Kosovo? Good/bad?
35. Who do you think has the best opportunities to deal with the issue in Kosovo?
36. What would be the best solution to the problem?
  - a. Increased control
  - b. More severe punishments
37. What would you do, if you saw someone logging in a suspicious way?
38. Have you heard about the EU Due Diligence Directive/Law of Forests?
39. Have you ever been alerted of IL by local population?
40. Have you ever been shot at while conducting your duty in the forest?

## **Appendix 2: List of interviewed persons**

Interview 1: High-ranking official, KFA. The identity of this person is disclosed to the censorship only for the protection of the interviewee. 2012.

Interview 2: Mr. Hysen Abazi, Director of the Department of Forestry, MAFRD. Accompanied by Mr. Tahir Ahmeti, Chief of the Division of Training and Advisory, MAFRD. 2012.

Interview 3: Mr. Gernot Pichler, Resident Twinning Advisor, EU Twinning Project KS09IBEN02 – Further support to sustainable forestry management. 2012.

Interview 4: Mr. Aleksandar Nikolovski, Chief Technical Adviser and Mr. Naser Krasniqi, National Team Leader, UNFAO.

Interview 5: Mr. Haki Kola, Senior International Advisor, Forestry Team Leader, SNV – Netherlands Development Organisation.

Interview 6: Mr. Lorenzo Ciccarese, Project Advisor for the Planting and Nursery component of the EU Twinning Project.

Interview 7: Mr. Kadri Kadrijaj, Head of KFA in Prishtina.

Interview 8: a former employee of an USAID-project. The identity of this person is disclosed to the censorship only for the protection of the interviewee. 2012.